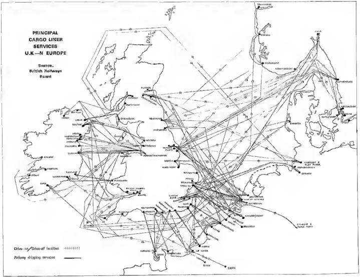
(The numbers refer to various shipping lines)



PRINCIPAL
CARGO LINER
SERVICES
U.K.—N EUROPE

Source.
British Railways
Board

PART 1

I TERMS OF REFERENCE

1. The Working Party was set up at the second meeting of the Economic Development Committee for the Movement of Exports (the EDC) on September 21st, 1965, with the following terms of reference:

> "To examine the problems and possibilities inherent in the through transport concept of UK exports to Europe, with particular reference to unitization, cost and documentation and to make recommendations which would lead to rapid and effective action."

2. It was agreed by the Working Party that in the first place it should concentrate on practical considerations which could emerge quickly and lead to recommendations for urgent action.

3. The Working Party has held six meetings and has considered a number of working papers, many of which are appended to this report.

II SUMMARY

4. If trade to Europe is to be developed further it is important that the geographical disadvantage suffered by the UK as against the main centres of industry and commerce on the Continent should be overcome as far as possible by improved techniques of distribution, including transport. It is important that the whole process be speeded up and made dependable, particularly the "tail" of goods which arrive excessively late and which give British exports a bad name. We are certain that in a large number of cases increased speed and reliability of deliveries can be achieved, as well as a decrease in total distributive costs.

5. The aim should be to achieve these objectives by the development of modern methods of distribution and transport which give a through flow of traffic from the point of origin to the final point of sale with the minimum of trans-shipment and delay. This requires the development of unit loads, of the facilities to handle them and the administrative and financial means of promoting them.

6. Through deliveries will be greatly facilitated in many cases by greater adoption on the part of shippers of selling on delivered prices. Apart from

the benefits which may accrue from selling in a way attractive to the customer and which will help the balance of payments, this system involves the exporter more closely in the examination of his total transport costs. Today there appears to be not enough awareness of total transport costs among exporters; it is important that this should be overcome. An exporter may have an idea of the direct costs of transport but the advantage of the rapidly developing methods of through transport will accrue increasingly from indirect* as well as direct savings. Commercial benefits will lie increasingly in the breakdown and comparative examination of the various components of costs involved.

7. Selling on delivered cost and finding the optimum method of transporting goods means a more complex operation for the exporter than hitherto. The role of transport specialists, particularly of shipping and forwarding agents, is, therefore, made more and not less important, and there is a need for the development of expert advice to industry. Roll-on/roll-off services are taking an increasing proportion of the through traffic now developing, and expansion of port and shipping facilities to deal with this is going ahead. There will also be advantages in developing container services working on lift-on/lift-off ships, and either operating direct from the exporters' factories to the ports or else through Inland Clearance Depots (ICDs), for which Customs have now made arrangements, where goods can be loaded and unloaded and groupage arranged.

8. There is likewise a need for further simplification and standardisation of all documents connected with the transport of goods; this is essential if the documentation itself is not to provide causes of delay. Some simplification and expedition of Customs procedures would also contribute to the speedier movement of goods to and from the Continent.

III RECOMMENDATIONS

for action by	
	Through Transport and Delivered Price
BNEC CBI Trade associations Institute of Export Exporters generally	9. Exporters should be encouraged to study the philosophy of the 'through transport concept' which involves, so far as possible, a direct flow of goods from the exporter to the importing customer with the minimum of intermediate handling or interruption. (Paras. 45, 46)
Ditto	10. Exporters should study the advantages, both from the point of view of the balance of payments and also from the point of view of their export competitiveness and the efficiency of their own transport methods, of working on a delivered price instead of f.o.b. or c.i.f. to port. (Paras. 47—55)

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* e.g. insurance, packaging, handling and stockholding.

for action by

11. Managements should pay more attention to studying the indirect costs of packing, loading and moving their exports, and of their stocking policy, and should regard delivery to customers on the Continent in the same way as they would regard deliveries to customers in this country. (Paras. 50, 51, 52)

Ditto

12. There should be a regular collection of statistics on the use of unit transport services in UK international trade and this should be initiated as soon as possible. (Para. 44)

Board of Trade
Ministry of Transport
National Ports Council

13. Exporters and freight and forwarding agents should intensify the study of the efficiency of the many new methods of unit transport, by roll-on/roll-off, lift-on/lift-off, pallets and containers, and compare the relative costs of the many methods now available, bearing in mind both indirect and direct costs. Particular attention should be paid to the advantages of using full unit loads and to the development of groupage in order to avoid the use of part loads. (Paras. 57, 58)

Exporters
Institute of Shipping & Forwarding Agents
Chamber of Shipping
Road Haulage Association
British Railways

14. The Institute of Shipping and Forwarding Agents and where appropriate the Chamber of Shipping and other providers of facilities should jointly consider any steps which they could take :

- a. to help their members extend their specialist knowledge ;
- b. to provide central information services ;
- c. to encourage investigation of the timing and costing of the various methods of delivery to different destinations ;
- d. to consider the structure of their industry including some system of registering agents ;
- e. to consider how far they can encourage the development of facilities for unit transport methods in general, and groupage in particular. (Paras. 53, 58)

Institute of Shipping & Forwarding Agents
Chamber of Shipping
Road Haulage Association
British Railways

15. A joint letter should be sent by the chairmen of the EDC and the British National Export Council to call the attention of exporters, perhaps through the ECE (and other councils) and their trade associations, to the advantages of individual firms working on a delivered price system and giving more attention to their transport problems. (Paras. 54, 55)

EDC
BNEC

Transport Facilities

16. Action should be taken to further the development of ICDs, where transport loads can be made up and broken down and where Customs clearance can be effected at

Exporters
Providers of services
BSC & LAs
Ministry of Transport

for action by	
Ministry of Aviation	points away from the congested port areas. (Paras. 57, 106, 107)
HMG	17. The Government should consider whether ICDs should qualify for loans and grants as do ports; also whether containers should qualify for investment grants. (Para. 107)
Ministry of Transport	18. The Working Party attach considerable importance to improved road access to ports and airports, particularly those concerned with the newer forms of transport to Europe, and recommend that these should be given due priority in the road programme. (Para. 69)
Ministry of Transport	19. There is a need for early decision concerning the recommendations for some freeing of the restraint on competition at present imposed by the licensing system for professional hauliers, if negotiations concerning the licensing of vehicles in international trade are not to be prejudiced by doubts about the UK position. (Paras. 62, 63)
Ministry of Transport	20. The maximum permitted length for an articulated vehicle should be raised to 15 m. so as to accommodate 40′ containers, and a corresponding increase should be made in the permitted weights for back axles. (Paras. 64—67)
Ministry of Transport	21. In connection with this, if it is considered to be desirable the Road Research Laboratory should be asked to make a further study of safety factors of large vehicles. (Para. 67)
Ministry of Transport British Railways Local authorities	22. The drawing-up of recommended routes for heavy traffic should be expedited and more impetus given to the programme for strengthening certain bridges, especially road-over-rail bridges, in collaboration with British Railways and local authorities. (Para. 67)
Society of Motor Manufacturers and Traders	23. Vehicle manufacturers should consider the development of larger vehicles suitable for moving the larger sizes of containers, with particular reference to the market, both in the UK and on the Continent, for 5 axled articulated vehicles. (Para. 68)
British Railways Ministry of Transport	24. There is a need for further improvement in the routing, terminals handling and general utilization and control of railway wagons and ships used in through rail services to the Continent. (Paras. 70—73)
Customs Ministry of Transport	25. An international Customs arrangement should be negotiated whereby loaded and sealed containers could be sealed and bonded over frontiers irrespective of the transportation methods used in the overall transport. (Paras. 74—77)

	for action by
26. Consideration should be given as to whether the port and dock facilities will be adequate, particularly in view of the big development likely in the use of 20—40 ft. containers. (Paras. 78—82)	National Ports Council Chamber of Shipping
27. The EDC, with the shipping interests concerned, should give further study to the possibility of some rationalization of sea transport to Europe. (Paras. 87, 88)	EDC Chamber of Shipping
28. The shipping companies should give continuing study to the new methods of transport, and in particular the movement of goods in containers of size $8' \times 8'$ end profile which can be loaded semi-automatically into specially constructed container ships. In this they should consider whether liaison could with advantage be improved with the ship-builders concerning the new methods. If these methods are economically sound they should develop them and publicise the improved services to shippers. (Para. 89)	Chamber of Shipping The liner companies Shipbuilding Conference
29. The completion of the new cargo terminal at Heathrow should be expedited. Meanwhile urgent attention should be given to improved cargo flow techniques, including bulking of cargoes at concentration points away from the airports. (Paras. 93—99)	BAA Airlines Ministry of Aviation Ministry of Transport ISFA
30. An enquiry is desirable into the origin and destination of goods for air freight. (Para. 102)	Ministry of Aviation Airlines
31. The economics of full air freight services should be further studied. (Para. 103)	Airlines
32. The Post Office should consider raising the weight limits for parcel post to at least double their present size (22 lb.) with corresponding increases in dimensions, in line with European practice, and should publicise and advertise services to exporters. (Pars. 104, 105)	Post Office Post Office EDC
33. Consideration should be given to the question of ownership, inspection and registration of containers and to arrangements for international pooling to control their services to exporters. (Paras. 104, 105)	All providers of services Shipping and forwarding agents

Customs Procedures

34. Urgent consideration should be given by the Customs/Treasury as to whether the law should be altered so that credit can be acceptable in relation to payment of customs duties, and in general whether any other changes in the law governing the collection of customs duties are needed to assist the development of the new forms of transport. (Para. 122)	Customs Treasury BNEC

for action by

Customs
Chamber of Shipping
National Ports Council
British Shippers Council

35. HM Customs and Excise should be encouraged to press forward urgently with their consideration of possible developments of customs procedures, to facilitate quicker clearance of imports. These include:

a. Some further improvement in the procedure for ascertaining the basis of valuation of imports (C.105) e.g., as regards regular importers, by the institution of a system of "season ticket entry."

b. The development of a system of standing deposits.

c. Some further study as to whether the proportion of goods to be examined could be reduced.

d. A further development of the use of telex communications and of mechanization and computerization in general.

e. Study of the suggestion that Customs themselves should undertake the calculations of duty and exchange rates, leaving the importer to check them if he so wished.

f. Customs should make more systematic arrangements to keep themselves informed about methods used in other countries.

Possibilities such as the above would not involve changes in the law and, with certain other measures, are urgently needed to match the increasing speed of the goods themselves. (Paras. 115—121)

Customs
Treasury

36. Customs and Treasury should consider whether it would be in the long term economic interest of the country to increase the Customs establishment so that clearance at customers premises could be extended, particularly if the customers were prepared to pay the costs. (Para. 123)

Documentation

EDC

37. The EDC should consider inviting representatives of traders, shippers, insurers, forwarding agents, carriers, the National Ports Council and port and other public authorities to meet and discuss which of their organisations should make themselves responsible, jointly or severally, for pursuing the detailed documentation recommendations in Appendix XVI and summarised below.

These concern all providers and users of services and the Customs authorities

a. The numbers of different documents raised for use within and between firms of traders and forwarding agents, and for or by insurers, carriers and public authorities should be reviewed.

Ditto

b. The requirements of carriers, public authorities and others for multiple copies of documents, certificates, authentications and translations should be reviewed.

	for action by
c. Documentation should be as brief and easy to complete as possible; to this end, carriers', port authorities' and customs' definitions, nomenclatures and charging and other classifications should be made more similar to one another, and perhaps also simpler; weights and measurements should be stated in metric units, as soon as convenient; and increased attention should be paid to the clear and simple labelling of consignments.	These concern all providers and users of services and the Customs authorities
d. The remainder of the range of aligned UK trade documents, recently agreed in principle by the Joint Liaison Committee on Documents, should be issued as soon as convenient; the national and international impetus for extending that range and facilitating its introduction should be maintained; and traders should consider completing these standardised documents by mechanical means and aligning their own internal documents with them.	Ditto
e. Form design should pay full regard to the needs and potentialities of modern office machines, e.g. in relation to the inclusion of lengthy notes, conditions and declarations—particularly on the backs of forms; and the wider use of modern methods of telecommunications should be promoted.	Ditto
f. In order to avoid delays at Customs offices, documentary Customs requirements for surface traffic should be confined to those applicable to corresponding air traffics; through consignments should be accompanied by sufficiently full particulars to minimise the need for physical examination at Customs offices passed en route, as well as, whenever practicable, by any other documents originating from the exporter and required for final Customs clearance at destination. (Paras. 124—127, Appendix XVI)	Ditto

PART 2

I BACKGROUND TO THE INVESTIGATION

38. The background to this investigation is the vital importance of improving our export competitiveness with the object of improving the balance of payments. An improvement in the methods of movement of goods can reduce the final costs of our exports to the customer and increase the speed of delivery.

39. Exports to Western Europe comprise some 41% of total British exports in terms of value and 58% in terms of volume ; these figures clearly indicate the proportion of our exports that could be at risk owing to possible weaknesses in our transport arrangements, and the potential benefit that improvements in these could provide. It should also be remembered that our continental competitors for European markets do not face the problems involved in sea transport.

40. The main means of transport between the UK and Europe along a number of different routes are :

a. Conventional liner services with break-bulk handling and stowage.
b. New liner services with fully palletised handling and stowage.
c. Bulk carriers for either solids or liquids.
d. Train ferries for rail wagons.
e. Road ferries with roll-on decks for vehicles, trailers and containers.
f. Lift-on services for flats and containers.

41. For the sake of consistency this report will base its statistics on the same geographical area of Western Europe as is covered by the Export Council for Europe. This includes the OECD countries with certain other additions making an overall list of the following 22 countries :

EEC	*EFTA*	*Others*
W. Germany	Sweden	Ireland
France	Denmark	Spain
Netherlands	Norway	Greece
Italy	Finland	Turkey
Belgium	Switzerland	Yugoslavia
Luxembourg	Portugal	Iceland
	Austria	Malta
		Gibraltar
		Cyprus

42. Total exports to this area have risen from £1,160 million in 1960 to about £1,940 million in 1965. The detailed figures for individual countries during the period are appended to this report. (Appendix III)

43. There is as yet no exact knowledge as to the method of transport employed but very provisionally it has been suggested that nearly 75% in terms of value and over 90% in terms of weight went by conventional ships in 1964. Train ferries are believed to have taken some 5% in value and some 2% in volume, roll-on/roll-off some 8% in value and 3% in volume, and air some 13% in value and 1% in volume. It is likely that in 1965 there was a further increase in the proportion which went by roll-on/roll-off services and by air, reflecting the influence of the steady growth in unitisation of cargo.

44. It is noteworthy that in transport to Ireland, which for the purpose of this study could be considered usefully as an extension of the home market, the proportion of goods going by unitized methods is very much higher. Lack of statistics make this difficult to quantify with any precision but certainly in some routes this proportion represents at least 50% of total traffic, and between, for example, Preston and Belfast, the percentage is very much higher than this. There is an obvious and pressing need for statistics on the use of unit transport in UK international trade to be collected as soon as possible on a regular basis, as a guide to the development of unit transport services.

II THE THROUGH TRANSPORT CONCEPT

45. The through transport concept envisages a direct and efficient flow of goods from the exporter to the importing customer, from the point of origin to the final point of sale with a minimum of interruption and delay whether on the part of shipper, agent, haulier, customs official or any other source. This flow can be most efficient when operated in unit transport loads, whether by roll-on/roll-off, pallets or containers. Implicit in this concept is an awareness on the part of the management of the exporting firm of the total transport operations, of the costs and timing of the many different methods of shipment. It involves the exporter in taking a more direct and immediate responsibility for the state of the goods on arrival and for the reliability of delivery dates. It is in fact basically an extension of the UK home trade delivery system.

46. If roll-on/roll-off vehicles or containers are used, goods may be packed at the premises of the exporting firm and not unpacked or otherwise handled until they reach the consignee establishment. Thus risks of damage and, more important, theft in transit are reduced to a minimum, as well as handling costs. The attached flow diagram (Appendix IV, Physical Flow of Exports to Europe) shows that under the new system a vehicle with a full load could cut out three stages in the flow of goods from the exporting consignor to the importing consignee and for part loads the number of stages avoided is increased to five.

III THE DELIVERED PRICE CONCEPT

47. Associated with this concept of through transport is the system of selling on delivered terms, in contrast to sales ex works, f.o.b. or even c.i.f. to port. In practice this means that all arrangements for transport and insurance to the point of delivery are the responsibility of the seller.

48. It is now more and more recognised that transport—or in a wider sense distribution—is an important management function directly related to the production and sales organisations of manufacturers. In regard to exports to Western Europe the parties to a sale contract are generally free to determine its terms. In contracts with iron curtain countries, state trading organisations endeavour to carry out a policy of selling on c.i.f. port terms and buying f.o.b. but this policy should not be too readily accepted.

49. The delivered price system has a significant bearing on the balance of payments consideration as well as on the problem of increasing our export competitiveness. Only if a delivered price is charged can the exporter judge accurately of the competitiveness of his product in the overseas market. Without this knowledge he is not in a position to carry out efficient market research because he cannot accurately compare his prices with those of his competitors at the final point of sale. In international trade the question is not so much "What is my f.o.b. price?" but the much more important one "What is my delivered price to this market?" Techniques of distribution operating directly from the production point and embracing a whole series of factors—packaging, stock control, documentation, transport costs and facilities—provide the method by which the delivered price is calculated. An awareness of total cost is important because the savings made by using the most modern methods are indirect rather than direct.

50. Comparison of cost between the different methods of transport is an extremely expert job on account of the many different routes and combinations of routes available, and the numerous different ways of packing and handling goods. Many companies who export rely mainly on the information provided by freight and forwarding agents. Only a few companies are reasonably knowledgeable about the indirect costs of packing, loading and moving their exports.

51. These facts were brought out in a small sample survey of large exporters. (Appendix V).

52. Perhaps the most significant outcome of the survey made was that in the field of exporting there exist clearly defined and excellent opportunities to reduce transport costs. There is little doubt that if more companies sold on a delivered price they would pay much better attention to the problems of transport and distribution.

53. To advocate more attention to distribution problems is not to advocate that the shippers should administer the whole operation themselves. Practically every consignment of goods differs in regard to types of product, size, value, density and quantity shipped, urgency of delivery and other

factors. A great deal of expertise is needed in judging these matters and few shippers, except large companies, have the available knowledge to do this for themselves. In the development of modern methods an important role remains for the shipping and forwarding agents.

54. Considering the advantages from both the national viewpoint and that of many individual firms of working, where applicable, on a delivered price system, ways and means of bringing this home to managements in the UK have to be found.

55. The Committee may wish its chairman, together with the chairman of the British National Export Council, to address a letter on this subject to trade associations and large exporters.

IV SPEEDIER MOVEMENT OF GOODS

56. The increasing demand, on the part of those firms who are transport conscious and delivery minded, for more rapid methods of moving goods has led to the development of new methods of shipment such as roll-on/roll-off and the use of pallets and containers. The increased speed of delivery by these methods is, in its turn, leading to a demand for the simplification and quicker transmission of the relevant documents, and for quicker methods of customs clearance. The speed of movement of exports is affected by the speed of movement of *imports* because of the turn round of the vehicles carrying goods to the ports. The goods now frequently move faster than the posts, and may be held up at the customs because the relevant documents have not yet arrived.

57. From the concept of through transport has also stemmed the idea of ICDs, where full loads can be made up, broken down and customs cleared at points away, but not necessarily far away, from the congested port areas.

58. A study undertaken by Martech for the Economic Development Committee shows that a typical time taken for British goods to reach a purchaser on the Continent might be about ten days plus two days which occur between the despatch of the goods and their actually leaving the factory. The time is significantly less for vehicles which are fully loaded at one factory than for part loads which may take approximately 50% longer than full loads. These part loads account for about one third of the total value of exports to Europe, although only about 17% of their weight. If groupage systems could be further developed, there might be a significant reduction in transit times for this type of load. An increase in the number of ICDs should make it easier to extend groupage.

59. Another important fact highlighted in the Martech preliminary findings is that some 10% of exports take between one and a half and three times the average transit time. It is particularly desirable to eliminate this "tail" in that it creates an uncertainty about the date of arrival of British goods on the Continent, and thus has a damaging effect on our export drive disproportionate to its size.

V THE PROVISION OF FACILITIES

A. ROAD SERVICES

Development of Roll-on/Roll-off

60. In the last ten years there has been a very great development in the number of loaded road goods vehicles crossing the Channel. In 1956 there were 506; by 1963 there were more than 17,000. In 1955 the tonnage of goods carried this way was less than 3,000 and by 1962 it was over 88,000. In 1964 this increased to an estimated 250,000 tons and the indications are that with the development of facilities the tonnage is now running at an annual rate at least double that of 1964.

61. This has partly resulted from the rise in total exports to the Continent but is mainly due to the development of roll-on/roll-off ferry services. About 90% of this traffic is carried in unaccompanied semi-trailers which are drawn by foreign tractors on the Continent and British ones in the UK. Most of the remaining 10% is "own account" traffic carried mainly in rigid vehicles. British hauliers carry about nine tenths of the outward and three quarters of the inward traffic.

International Agreements about Road Haulage

62. International road haulage on the Continent is regulated by bilateral agreements which authorize journeys by means of licences and sometimes by quotas. Until recently British hauliers have not been pressed to conclude such agreements but have been able to make satisfactory arrangements to carry goods through most Continental countries. Recently, however, difficulties have been encountered, accentuated by the development of a common transport policy in the Common Market countries. Bilateral agreements have, therefore, been under negotiation, to try and establish UK carriers' rights. The objective is to get the most liberal reciprocal treatment for UK vehicles engaged in international trade.

63. Negotiations are proceeding satisfactorily but it seems clear that as a quid pro quo we may have to concede some simpler and speedier procedure and in general more freedom from the restraint on competition imposed by the present licensing system for professional hauliers engaged in international trade. If some change in the present system is being considered, and it would be advantageous for a decision to be reached quickly, the need to maintain our international bargaining position should be borne in mind, perhaps by maintaining some controls over vehicles engaged in international trade.

Vehicle Weights and Dimensions

64. In connection with these negotiations, we may also be pressed to relax, for foreign vehicles and operators, some of our regulations on vehicle weights and dimensions and to grant some concessions on vehicle taxation, since it would be useless to license foreign vehicles and then debar them because of their dimensions or weight.

65. However, a more telling case for relaxation in respect of all operators in the UK stems from the anticipated needs of transporting the largest containers likely to be in use. Last year agreement was reached in the International Standards Organisation (ISO) on container standards. The largest recommended size was 40′ and, although immediate widespread use of this size is not expected, initiatives taken by several US firms make it clear that it will soon begin to be used on European runs. UK regulations do not absolutely prohibit carriage of 40′ containers, (indeed, some have been used with success for certain large but light loads), but they prejudice their safe carriage when fully loaded in that overhang may be such as to overload the rear axles. Most European countries, but not the UK, permit 15 metres overall length for articulated vehicles, which, with associated axle strengths. permits safe loading of these containers without overhang.

66. In the view of the Working Party, the UK cannot afford to be at a disadvantage with continental countries in permitting the use of these large vehicles and the benefits from the economies of scale which they bring. The number and rate of build up in the use of these vehicles and containers is not likely to be such that attention cannot be given to problems of traffic engineering and safety which may arise. It must also be borne in mind that, now that the Sea-Land and Isbrandtsen lines are bringing US exports to Europe in containers, continental competitors will have the advantage of the use of these containers for the return journey, and the UK may be at a disadvantage in the cost of sending their exports to the US if they do not also enter the container field. Supplies to US forces in Europe are increasingly being carried in containers and this helps to build up the numbers of containers available on the continent for the return journey to the US.

Recommendations about Vehicle Weights and Dimensions

67. The Working Party have made a number of specific recommendations on this subject which have already been passed to the Ministry of Transport for their urgent consideration (see Appendix VIII paras 21 and 22).

68. There is already difficulty in obtaining large articulated vehicles within the present UK permitted sizes; a problem which partly stems from the length of time taken before decision was reached on the 1964 regulations. The SMMT are examining bottlenecks in certain components. In the light of this experience the Working Party urge speed in considering further amendment of the regulations. It is also important that road hauliers become aware of the developments in carriage of containers and themselves urge upon the vehicle manufacturers not only that the market for the largest vehicles is likely to grow and not disappear, once leeway due to uncertainties over the 1964 regulations is made up, but that given the further changes recommended, there will be a market for even larger vehicles, e.g. five axled articulated vehicles, both in the UK and on the Continent.

Road Access to Ports

69. In view of the increasing movement of exports by road, the Working Party attach considerable importance to the study of traffic density close to the ports and to the provision of suitable and adequate road access to ports, particularly those which are or will become the main centres for the new

methods of transport to Europe. This applies not only to the major ports but also to the smaller ports, e.g. Harwich and Newhaven. A recent memorandum "Roads and British Exports" by the British Road Federation outlines the access needs of the various ports and suggests that high priority should be given to road schemes and plans for urban renewal which will have a direct effect on the movement of exports. Adequate road access to airports, and in due course ICDs, is equally of importance. These questions should be given due priority in the realization of the national roads programme.

B. RAIL SERVICES

Through Services to the Continent

70. There are through rail services between Britain and Europe conveyed by train ferry ships on two routes from Harwich to Zeebrugge and from Dover to Dunkirk.

71. The standard continental railway wagons cannot pass beyond British ports owing to the difference in loading gauge. The standard British Railways wagons cannot go to the Continent because of the difference in braking systems, British Railways using the vacuum brake while the Continent uses the air brake.

72. The through railway wagon provides an excellent conveyance for many traffics, particularly high value goods, but the service only carries some 2% in volume and 5% in value of merchandise exports to Europe. The factor limiting expansion of movement by this method is the supply of wagons. There are 10,000 continental wagons specially built to operate in Britain of which British Railways owns a fleet of some 550 wagons specially built to operate in Enrope.

73. British Railways recognises that the volume of traffic using this service can be increased by better utilisation of the wagons. Steps are being taken to achieve this, including a review of the routes used, the terminals handling of the wagons in this country and general control. However, part of the difficulty lies at the port of entry of the wagons arriving in this country. A recent test showed that six days are occupied at Harwich for Customs clearance, etc. In the view of Customs a major factor is the delays in producing documents which should arrive with the wagons if clearance is to be expedited. Negotiations with HM Customs to see how improvements can be achieved are in hand; one possibility for improvement would be the increased use of inland Customs clearance depots. In conjunction with the Continental administrations a review is also being made of the shape of the shipping services to make sure that the best use is being made of ships and wagons. In all these matters the Working Party consider that early decisions are urgently required.

C. ROAD/RAIL AND OTHER TRANSFERS

74. Two international customs agreements govern the through movement of sealed containers, vehicles and trailers when goods are carried, broadly speaking, "on the same set of wheels" throughout, i.e. without intermediate

off-loading save for minor exceptions, for instance in the event of a road accident. The Convention concerning road vehicles and trailers is known as TIR, that concerning railway wagons as TIF. Where a movement is not covered by these conventions, delays and specific bonding costs can arise.

75. As a result of the increased availability and popularity of lift-on/lift-off operations, which tend to be cheaper than roll-on/roll-off operations, and of the development of fast container trains on both sides of the Channel, the need is now acute for an international customs agreement under which loaded containers can be sealed and carried across frontiers with a minimum of formalities and under collective bond, even when they are trans-shipped in the course of their journey from, say, a road vehicle or trailer to a container ship and/or to a container train, or vice versa.

76. Indeed, such a convention should seek to set the legal framework for carriage by land, water or air by any means of transport whatever, including not only road vehicles, railways, barges, seagoing vessels and aeroplanes but also such craft as hydrofoils or hovercraft not yet in regular operation in Western Europe.

77. This question is already being considered by a group of rapporteurs on inter-continental transport by container of the Economic Commission for Europe who have sought the comments of all the interested parties. The Ministry of Transport have undertaken to circulate copies of the UK reply to the EDC, and to invite its views on the line to be taken by the UK rapporteur at the next meeting of the Group in the autumn.

D. PORT AND DOCK FACILITIES

78. Certain specialized facilities are being developed expressly for trade with Europe. The National Ports Council have information about new roll-on/roll-off facilities which are in an advanced stage of planning or are under construction at the following ports :

Tyne
Hull
Immingham
Grimsby
Kings Lynn
Felixstowe
Harwich
London (including Tilbury)
Dover
Southampton

79. In all about ten berths are being constructed, and about twelve are planned. These are additional to the eight or nine roll-on/roll-off berths already in existence, some of which however are mainly for passenger and car traffic.

80. In addition, general improvements to port facilities, though not exclusively for the use of ships trading with Europe, will benefit them. There are major schemes proposed at all the important ports while general improvements to the buildings and layouts of existing berths will ease the flow of goods.

81. If there is to be a big development in the use of 20′—40′ containers there will have to be a corresponding development in the layout of port and dock facilities, in road access to ports and provision of cranes. The handling of large numbers of containers requires a great deal of space as is apparent in the Port Newark/Elizabeth Port Authority marine terminal where Sea-Land, the company which has played a major part in the development of container services in the United States, operates. This terminal is an example of the type of provision which may have to be made here, with adjacent rail services and through ways to inland industrial centres. British Railways are making provision at Heysham and Holyhead for the loading of containers carried by the railways. Plans for substantial investment in the modernisation of their port at Harwich, including provision of facilities for the semi-automatic handling of containers, have been submitted to the Minister of Transport for approval and the Board also have in mind a similar development at Newhaven.

82. If considerable capital is to be spent on providing expensive new facilities for unit transport and particularly for lift-on/lift-off container services, it will be highly important that these services should be used to the best advantage. At present under-utilization of handling equipment results from the limitations on the hours when dock labour is available. These and allied matters are being considered by the Ports Modernisation Committee under the chairmanship of Lord Brown.

E. SHIPPING SERVICES

83. Over 90% of the weight of exports to Europe still travelled in conventional ships in 1964 although this was under 75% of the value. Some 28 British liner companies (excluding British Railways) operate services between 35 ports in the UK and over 100 ports on the continent north of the Spanish frontier. Most of these services carry conventional liner 'breakbulk' cargo, but unit load traffic is also carried by means of pallets, flats, containers and tanks. Most shipping operators provide containers for the convenience of shippers; they consider that shippers in general have been slow to recognise the advantages of through transport by container or other type of unit load.

84. In addition to these conventional services the liner network includes a a number of roll-on/roll-off ferry services and some routes catering mainly for unit load traffic. Twenty nine roll-on/roll-off and container services were running at mid 1965 between nine UK and twenty continental ports.

85. This is an era of considerable change in the development of shipping. The costs of transfer of cargo at the ports themselves and the delays which can be occasioned in this transfer of goods are leading to a quicker acceptance of the concept of through traffic than might otherwise have been the case. The conventional type of vessel based on the cargo carrying methods of many centuries will decrease in numbers and importance, except possibly for certain rough cargoes, and will be replaced by the newer types of unitised vessels probably varying between roll-on/roll-off, lift-on/lift-off, container type, or vessels built particularly for palletisation, dependent upon the trade, types of cargo offering, and the sea distance over which the

cargo has to be transported. In addition there are of course the possibilities of Hovercraft development, still probably very much in its initial stage.

86. Some of these types of vessels will be much more costly than the single or 'tween deckers, with or without their own gear, which are at present being utilized between the UK and Europe, and shipowners in considering turning over to new methods will have to weigh the high capital cost of unitised shipping against savings in terminal time and charges.

87. One of the problems for exporters at present could be the multiplicity of routes across the North Sea by which goods can be shipped, where this multiplicity has the effect of creating difficulties for them in ascertaining the cheapest, safest and speediest routes for their goods, despite the assistance which shipping and forwarding agents are able to give. It is expected that shipowners in co-ordination with both road and rail interests in the interior of the UK will themselves be able to develop some reorganisation of the trading routes, creating faster and more frequent links over those routes which shipping and forwarding agents are able to give. It is expected that cargoes will of course expect improved services and costs from rationalisation.

88. The attached map (Appendix XVII) shows the complications of the existing provision of services and the number of ports and shipping lines which are involved in shipments to Europe. An attempt at some degree of rationalization seems highly desirable. The Working Party propose that the EDC, together with the shipping interests concerned, should give further study to this problem. Studies now being developed by the Port of London Authority on the flow pattern of goods in the United Kingdom should help to provide information on which plans could be based.

89. It is considered that there will be ample shipping space, both in the continuance of the conventional type of vessel and those built for unitized loads, to meet the full needs of UK exporters to Europe. Although roll-on/roll-off ships on the North Sea do cater for containers on low loading trailers or on normal road trailers, there are, in fact, at this moment no ships in the Continental short sea trade specifically designed in accordance with the latest thinking on container shipment as recently greatly developed in the USA. This requires ships fitted with cellular holds into which containers of 8'×8' end profile are fitted and loaded semi-automatically by high capacity transporter cranes. Extensive shore terminal facilities and handling appliances are necessary at the ports to enable the ships to be turned round quickly, as well as supporting road and rail services to provide easy access to the docks.

F. AIR SERVICES

The Growth of Air Freight

90. The growth of air freight in recent years has been great. A rate of some 25% a year is probably typical in Western Europe but in the US it has been materially higher. Already in 1964 some 13% in value of our exports to Europe went by air, that to France attaining a proportion as high as 24%.

91. Whereas earlier the products carried were largely of high value and low weight, increasing use of air freight is being made for other goods where economy in packaging, speed of delivery and reduction in the necessity of carrying expensive stocks are significant. This trend in the use of air freight is likely to be maintained or even substantially increased provided physical facilities can meet the increasing demands being made upon them.

92. The importance of air freight is now self-evident in regard to the short and medium haul routes to Europe and indeed to the long-haul routes linking important markets such as the USA and Canada. What may not be so self-evident is the entrepot trade involved. American carriers, for example, bring large freight consignments to London for onward shipment to Europe. It is vital that London as an entrepot is in the position to meet such services, offering as they do valuable visible and invisible earnings and influencing future international traffic trends.

Developments at Heathrow

93. Heathrow is already in terms of value Britain's third largest port. That this has been achieved despite a cramped and inadequate freight terminal in the island site reflects great credit on those concerned. The increase in volume has been accompanied by a change of pattern away from the carriage of freight in the cargo holds of passenger aircraft to the development of all-freighter services. The additional strain that this imposes on handling and warehouse systems has already brought BEA's freight terminal to saturation point and BOAC's terminal is likely to find itself in the same position shortly.

94. Accordingly, if air freight services adequate to meet the export needs of Britain are to be maintained it is imperative that a move away from the present island site is achieved as a matter of urgency.

95. This is the purpose of the new air freight terminal which it is proposed should be built on No. 3 maintenance area. Its planning is well advanced and, subject only to a few outstanding points, should enable the essential contracts for the site itself and the tunnel linking it with the central area, to be placed within a matter of weeks. That this is done is essential, for already the building programme is tight if completion is to be achieved by 1969, a date which is already dangerously late. Furthermore it would be extremely difficult if not impossible to effect any temporary improvement within Heathrow. Para. 99 mentions other ways by which the position could be alleviated.

96. This terminal will be one of the largest and most modern air freight terminals in the world. Great care has been put into its design and its handling and sorting services should achieve the utmost economy and speed in movements. Minimum lifts from delivery lorry into departure aircraft should be achieved with maximum use of unitisation whether in the form of pallets or containers.

97. BEA and BOAC are co-operating closely in a T-shaped building, the cross bar representing the export services, and the upright the import services. Other operators will have their own building some distance away;

agents in accordance with the recent IATA ruling will be accommodated outside and discussions are going on about effective links so as to reduce any disadvantages in dealing with bonded goods.

98. When this terminal is completed, Heathrow might still establish itself as one of the major consolidated freight terminals in Europe. The importance of this both in terms of direct overseas services and in the aspect of London as an entrepot have already been stressed. Increasing needs up to 1972 should be met by this first phase but built into the site are further expansion facilities which should cater for all further needs of Heathrow up to 1977.

99. The Working Party consider that the achieving of this programme by the earliest possible date should be given the highest priority. To provide its most efficient utilisation, however, attention also must be given to other needs. They appreciate, for example, that the question of road linkage is under close study between the Ministry and the local authorities concerned. The importance of access for traffic coming from the Midlands and the North as well as from nearer points of origin is evident. While the terminal itself will provide highly efficient means of unitisation of cargo, it is important too that the airlines and road operators together give consideration to the reduction in lorry scatter which could be achieved if groupage of loads can be effected also at various major points of origin.

Services from Other Centres

100. Making full allowance for the many other important considerations of this type, the Working Party welcome the Heathrow project as the essential fundamental step in the development of air freight services in Britain. Consolidation on Heathrow, however, should not be taken as precluding present or future need of services from other centres. The Working Party note that a direct all-cargo service was introduced from Manchester to Paris in the spring of 1965 and that cargo capacity in passenger aircraft will be offered in the summer of 1966 from Birmingham, Glasgow, Manchester, to Amsterdam, Barcelona, Brussels, Copenhagen, Dusseldorf, Palma, Paris, Zurich.

101. In addition, through cargo services, including through pallet and container services, are also offered by means of trans-shipment at London.

102. It is appreciated that the further development of these services must be subject to their profitability and in this connection the airlines have emphasized their need for better statistics relating to the origin and destination of goods. If these can be provided, the Working Party would hope that the Corporations and independent operators will then study the possible need of direct services from the main industrial centres of Britain, particularly the Midlands, the Manchester area, the North-East coast and the central valley of Scotland.

103. It might not be inappropriate for one further comment to be made. Up to recently air freight has tended to be a by-product of the airlines' principal business of carrying passengers. It is now passing rapidly beyond this stage, having established itself already as a major business and one of

vital significance to the export efficiency of Britain. New terminals, new aircraft and new handling methods are important and desirable but of equal importance is the concentration of management skill by the airlines on freight development. Whether this should be achieved by greater divisional responsibility or in other ways is for the individual operator to decide. What the Working Party would say is that air freight already is a major business demanding management concentration no longer confused by passenger considerations.

Exporting by Post

104. One improvement which has been suggested to our facilities for air freight is that the limitation in the package size for air parcel post should be greatly extended. A few years ago the UK raised the limit to 22 lbs. to comply with a pre-war international agreement. The Universal Postal Union Convention has more recently agreed on a maximum of 44 lbs. and this is now the general European practice, though it has not yet been adopted in the UK. It is suggested that the maximum weight should be at least double the present 22 lbs., with the maximum practicable dimensions, and that air cargo and air parcel post should have the same basis for charging.

105. It is suggested that a considerable contribution to helping the small exporter might be made by the Post Office in providing a better air freight service which could be easily available at a number of collection points, and that the Post Office should advertise these facilities as an aid to exporters.

G. INLAND CLEARANCE DEPOTS

106. Inland Clearance Depots have already been developed at certain main railway depots and Customs already service these. Customs have now agreed with a committee set up under the auspices of the British Shippers' Council the terms under which public inland clearance depots may be established. For import cargoes, HM Customs specify that the goods may travel from the port to the inland depot selected for customs clearance in containers which are sealed in a manner which meets their security requirements. They also stipulate that these depots must be public, i.e., not exclusive to one interest. To safeguard this principle it is suggested that public inland clearance depots would probably need to be owned or leased by consortia (or other approved bodies, which may be local authorities) reasonably representative of user interests. The economics of running depots will dictate that there is an outward flow for exports as well as an inward flow, although the customs requirements will be minimal for most exports. It is even possible that the depots will eventually be used as collecting points for exports generally apart from those being moved in containers.

107. The inland clearance depot can be justified economically on the grounds first that it aids the through transit of goods, secondly that it reduces congestion at the ports and thirdly that it can assist with the unitisation of cargoes. Hence encouragement should be given to consortia who plan to establish inland clearance depots in a number of areas.

H. CONTAINERS

Growth in Use of Containers

108. The use of containers for the transport of goods by sea, road or rail has developed with very great rapidity in the United States, much more than in Europe and the UK. A freight container is defined in British Standard 3951 as "an article having an overall volume greater than 8 cu.m. (282 cu. ft.) rigid or collapsible, suitable for repeated use in the carriage of materials and capable of transfer between one or more forms of transport." Its 'rating' is the maximum permissible combined weight of container and contents. There are five British standard sizes of containers of which four are 8ft. × 8 ft. in height and width; the ratings vary from 7—25 tons and the length from approximately 8—30 ft. The International Standard Organisation's 40 ft. container is not included in the British Standard.

Ownership and Control

109. A container of the 10 to 30 ft. size can cost approximately £400—£800, so the initial investment in a ship load of containers can be substantial. If there is to be a great increase in the use of containers in the UK and on the Continent, as seems likely, a wide range of problems arise.

110. Some shippers may find it economic to own containers but more generally they may be owned by the carrier (i.e. shipowner, road or rail carrier) or by private firms who specialise in the leasing of containers. Operating experience in the USA has suggested the need for efficient inspection and maintenance of containers, and for an international system of registration.

111. There are also technical problems related to the stowage of both general and specialised cargoes in containers shipped on deck as well as under deck.

112. Legal aspects must be taken into account because the optimum use of containers is to be found in the transport of the goods between shipper and ultimate consignee as a unit, over road, rail and sea systems, and often traversing two or more national boundaries. Different conventions at this juncture govern the liabilities of the various carriers. The International Maritime Committee has already posed the question whether the structural changes in international transport brought about by the use of containers call for the preparation of an international convention to solve the problems involved. The implications are now being studied by each country and the British Maritime Law Association representing cargo, ship and insurance interests has a sub-committee at work in this field.

113. The development of some international pooling arrangements seems probable. The problem of control to ensure the most efficient utilisation of expensive equipment will in the end require employment of sophisticated communications and data processing techniques.

J. THE CHANNEL TUNNEL

114. Since the Channel Tunnel is a long term project the Working Party has given only brief consideration to it. Furthermore, it appears to be being planned mainly for passenger rather than for freight traffic. Further consideration will be given to this problem by the EDC.

VI CUSTOMS PROCEDURES

115. The necessity of collecting customs and excise duties, both for revenue and protective purposes, inevitably results in delays in the movement of goods. Some of this delay is unavoidable but some changes in the procedures used by Customs might expedite clearance.

116. Delays to exports are no longer the subject of complaints but delays resulting from the necessity for collecting import duties can be considerable. It is argued that delays to imports have the effect of holding up exports and increasing the cost of the total transport movement to and from the Continent. This is particularly so with the development of through transport and unitization when a quick turn round of vehicles is important and the cost of the capital equipment involved is considerable.

117. The Working Party held a meeting with representatives of HM Customs and Excise to see whether any constructive suggestions could be put forward for improving the procedures for clearing imports.

118. Although the clearance time varies between different ports it was agreed that 5 days is an approximately average time taken for clearance at the Port of London. One major cause of delay mentioned by the Customs was the inadequate and inaccurate documentation received for so many shipments : approximately one import entry in three contains some mistake or inaccuracy. The very complex nature of our protective tariff with its great number of separate headings adds to the risk of mistakes in the calculation of duty by importers and their agents.

119. The existing documentary procedures for entry and collection of duty and for the physical examination of goods have been criticised as causing delays which are unnecessary. Of these the following were mentioned in particular :

(a) the necessity for the actual importer to complete, in many instances, a signed declaration of the basis of valuation of the goods (Customs Form C105), normally *before* the entry papers as a whole can be lodged at the Customs Long Room ;

(b) the necessity of entering the relevant papers at the Long Room and then paying import duties there, *before* the goods can be physically examined and cleared.

120. One cause of difficulty is that with the speedier movement of goods, these often arrive ahead of their supporting documentation. Another cause of delay is that agents and shippers often do not move their consignments

away quickly enough once they are cleared. As regards the Port of London, some delays could be avoided if agents and importers would make more use of the Long Room at Tilbury.

121. Some possible developments discussed at the meeting with the Customs representatives were as follows:

(a) A scheme known as 'season ticket entry' is at present under consideration by Customs to help the regular importer of standard goods to pass his imports through without the need to complete a separate Form C105, in respect of each separate consignment, thus avoiding delay.

Customs confirmed that they did not feel obliged to require all importers to follow the same procedures if their size or requirements differed, although as a public department Customs must not show favouritism to one firm rather than another.

(b) Customs agreed to consider arranging a system of standing deposits centralized at the Long Room at each port used, instead of for each transaction.

(c) Customs were currently studying a further development of mechanization and computerization.

(d) It was suggested that the Customs themselves should undertake the calculations of duty and exchange rates, leaving the importer to check there if he so wished, and Customs said they would examine this proposal.

(e) The Working Party urged that more facilities should be made available for clearance at customers' premises. Customs agreed that where officers were already in full time attendance at a firm for other customs and excise purposes, it would be possible for imports to be cleared by them.

(f) More reliance should be placed on telex communications, particularly in relation to corrections to documents.

(g) A further study should be made as to whether the proportion of goods physically examined could be reduced.

(h) Customs should make more systematic arrangements to keep themselves regularly informed about methods used in other countries.

122. These possibilities would not involve changes in the law. In the opinion of the Working Party they should be further considered urgently. The Working Party would also like to press for an enquiry into the possibility of changing the law which prevents credit being allowed to importers for duty payments, bearing in mind that credit is allowed in payment of taxes. This should greatly facilitate customs clearance, particularly for regular importers. A meeting between the EDC and representatives of Customs and importers to pursue this subject might be helpful.

123. Further the Working Party would like to call the attention of the Customs/Treasury to the possibility that it might be in the long term economic interest of the country to increase the Customs establishment so that clearance at customers premises should be extended, particularly if the customers are prepared to pay the costs, although they recognise that there is a level in size of firm below which this might not be justified.

VII DOCUMENTATION

124. Efforts to speed the physical flow of exports, say, by minimising trans-shipment and encouraging through transport, can yield their greatest potential benefits only if the associated flow of documents is also speeded up and otherwise improved. Faster mail services and the greater use of telecommunications would help here, but the largest savings in this field may well be those obtainable by reducing, simplifying and standardising the underlying paperwork and doing only what is essential.

125. Beginning with the Swedish efforts of the middle 1950's, much valuable work has been carried out in recent years, both nationally and internationally, in order to persuade all those concerned to relax some of their requirements and streamline those which remain. The recently published Board of Trade booklet on "Simpler Export Documents" has had a good reception and many of the agreed, mutually aligned forms set out in it—which are suitable for completion by mechanised processes—are now available.

126. Admittedly, at any given time, limits exist to the degree of simplification that can be achieved. These limits are set not only by the fiscal and other needs of Governments, or even by the essential nature of the underlying commercial transactions but also by the organisation and interrelationship of the various recipients of documents. But there is clearly scope for action within those limits when—as is the case today—a single export sale may still involve as many as 50 distinct steps in documentation.

127. Accordingly, Appendix XVI to this report addresses a number of detailed recommendations to all who issue, fill in or receive documents—port and other public authorities, exporters, carriers, importers and their agents. These recommendations relate, in particular, to :

(a) the numbers of different documents raised, and the numbers of certified, translated or other copies of them commonly called for ;

(b) the simplicity, unambiguity and clarity of the contents of documents ;

(c) the standardisation of the layout of documents and their suitability for completion by mechanised office procedures ; and

(d) improvements in documentation routines which might avoid or reduce delays associated with existing Customs procedures.

APPENDICES

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IV Physical Flow of Exports to Europe
V Case Studies Illustrating Costs of Alternative Methods of Exporting to Europe
VI Note on Delays to Road-borne Traffic in through movement to Europe
VII Maximum Vehicle Weights and Dimensions in Great Britain and Western European Countries
VIII Vehicle Length and Weights. Recommendations to Ministry of Transport
IX The Development of British Railways Ports, Rail Systems and Terminals for the Transport of International Traffic in Containers and Wagons
X The Development of Unit Load Movement on the European Continent
XI The Development of Unit Load Shipping Systems in the Short-sea Continental Trade
XII Transfer of Containers between Various Forms of Transport in Europe
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APPENDIX I

Membership of the Economic Development Committee for the Movement of Exports

CHAIRMAN

The Viscount Caldecote, D.S.C., British Aircraft Corporation

MEMBERS

Mr G. W. Brassington, National Union of Railwaymen.

Mr H. Brown, Associated Electrical Industries Ltd.

Mr C. A. Dove, C.B.E., E.R.D., Mersey Docks & Harbour Board

Mr R. L. H. Farmer, Atlas Express Co.

Mr N. J. Freeman, Imperial Chemical Industries Ltd., British Shippers' Council.

Mr J. K. T. Frost, Board of Trade.

Mr A. R. Glen, C.B.E., D.S.C., H. Clarkson & Co. Ltd., Export Council for Europe.

Mr M. G. Graham, National Economic Development Office.

Mr K. J. McBryde, Babcock & Wilcox Ltd.

Mr T. O'Leary, O.B.E., Transport & General Workers' Union.

Mr D. E. O'Neill, C.B., Ministry of Transport.

The Viscount Rochdale, O.B.E., T.D., D.L., National Ports Council.

Mr P. H. Shirley, British Railways Board.

Mr K. St. Johnston, Alfred Holt & Co., UK Chamber of Shipping.

Mr D. S. Tennant, C.B.E., Merchant Navy & Airline Officers' Association.

Mr S. F. Wheatcroft, A.F.R.AE.S., Airline Consultant.

Mr I. J. Young, Department of Economic Affairs.

SECRETARY

Mr N. R. Scourse, National Economic Development Office.

Working Party on Through Transport to Europe

The following members of the Economic Development Committee for the Movement of Exports were regular members of the Working Party:

MR N. J. FREEMAN *(Chairman)*

Mr R. L. H. Farmer

Mr A. R. Glen, C.B.E., D.S.C.

Mr M. G. Graham

Mr D. E. O'Neill, C.B.

Mr P. H. Shirley

Mr I. J. Young

Mr D. L. J. Mortelman was appointed to represent the Short Sea Liner Section of the Chamber of Shipping of the United Kingdom.

SECRETARIES

Mr A. J. Clarke Mr N. R. Scourse Mrs M. Wheatcroft

There was also occasional attendance by :

Mr J. E. M. Beale	Board of Trade
Mr J. P. Callen	UK Chamber of Shipping
Mr R. Dines	Department of Economic Affairs
Mr T. H. Guard	Institute of Shipping and Forwarding Agents
Mr J. L. Guy	British European Airways
Mrs D. C. L. Johnstone, C.B.E. Mr E. P. Brown Mr N. E. Godfrey	HM Customs and Excise
Mr L. S. Mills	Ministry of Transport
Mr J. A. Murly	Transport Development Group Ltd.
Mr M. Rudd	National Economic Development Office
Mr B. Strong	Ministry of Transport

APPENDIX II

Introductory Note

1. At the second meeting of the Economic Development Committee for the Movement of Exports, 21st September 1965, consideration of the Board of Trade paper on Unit Transport Services posed a number of important questions. It was agreed to set up a Working Party with the following terms of reference :

> "To examine the problems and possibilities inherent in the through transport concept of UK exports to Europe, with particular reference to unitization, cost and documentation and to make recommendations which would lead to rapid and effective action."

2. In its simplest form the through-transport concept envisages a distribution technique of a direct through-movement of export cargoes from the point of origin to delivery at final destination. Many factors, of course, give rise to variations in this technique, and it may well be found in the final analysis that the need for a greater awareness of modern distribution possibilities by management personnel is a vital consideration.

3. It will clearly be necessary to determine in the first instance the information available from within the Working Party. Thereafter it will be necessary to consider what information is required from outside sources to supplement member's own information. From time to time expert advisers may be called in to attend meetings, and the need may arise to co-opt other members.

4. Case studies, it is suggested, may be required, particularly on cost and documentation. Much can be learned from studies showing the savings accruing, for example, from a particular company's change-over to a simplified form of documentation or through-distribution technique. Approaches to some selected firms to supply these studies will have to be considered. The technical and practical aspects of unitization will require to be discussed in some detail. The economic principles and practical problems relevant to the development of unit transport services will need to be kept very much in mind throughout the work. It may well turn out that some of these problems have little relevance to the strictly European aspect of the problem before the Working Party.

5. It is to be expected that in considering the practical aspects of the subject particular attention will be necessary to such matters as air freight movements to Europe, stocking policy, terms of selling, and the availability of British ships.

6. It is possible that in considering the projects in hand by our parent committee it will be found convenient to suggest that some subjects, i.e. documentation, terms of selling, registration of cargoes (through-booking aspect), be channelled through the Working Party.

N. J. FREEMAN, *Chairman*
11th October, 1965

APPENDIX III

APPENDIX III

Annual Totals of Exports to Western Europe of Produce and Manufacturers

Value in £s million f.o.b.

	1960	1961	1962	1963	1964	1965
EEC						
Western Germany	163·4	171·3	199·3	213·0	221·6	255·0
France	87·5	112·2	138·1	180·7	187·9	177·3
Netherlands	115·9	137·6	151·0	167·7	196·3	192·9
Italy	88·0	114·6	139·1	163·6	129·8	108·8
Belgium	64·7	77·3	91·9	99·8	160·1(1)	169·1
Luxembourg	0·3	0·6	0·75	1·4	2·7	1·3
Total EEC	519·8	613·6	720·15	826·2	898·4	904·4
EFTA						
Sweden	130·9	141·2	154·3	169·0	198·2	219·4
Denmark	89·5	92·0	103·5	105·1	118·8	124·4
Norway	71·2	85·2	84·5	94·8	86·4	86·1
Finland	47·8	51·2	54·7	53·8	64·7	71·9
Switzerland	45·2	52·9	63·8	72·0	87·1	89·2
Portugal	22·5	35·9	30·6	30·7	35·1	39·5
Austria	21·1	21·9	24·6	28·2	31·0	34·6
Total EFTA	428·2	480·3	516·0	553·6	621·3	665·1

Other countries												
Irish Republic	110·9		133·2		135·2		148·9		165·5		175·7	
Spain	24·9		32·2		52·6		60·3		67·2		84·0	
Greece	18·7		21·1		25·8		28·3		30·1		30·7	
Turkey	16·9		23·2		20·5		24·8		16·9		18·3	
Yugoslavia	14·4		14·5		16·1		17·1		22·5		19·9	
Iceland	3·1		3·3		5·0		6·1		5·9		6·9	
Malta	11·1		11·7		10·6		10·9		12·4		12·2	
Gibraltar	4·0		4·7		4·4		4·7		5·0		4·1	
Cyprus	12·4		13·3		14·9		15·3		11·0		15·5	
Total other countries		216·4		257·2		285·1		316·4		336·5		367·3
Grand total		1,164·4		1,351·1		1,521·25		1,696·2		1,856·2		1,936·8
Percentage of total exports to the world		32·7%		36·7%		40·1%		41·4%		42·1%		41·0%

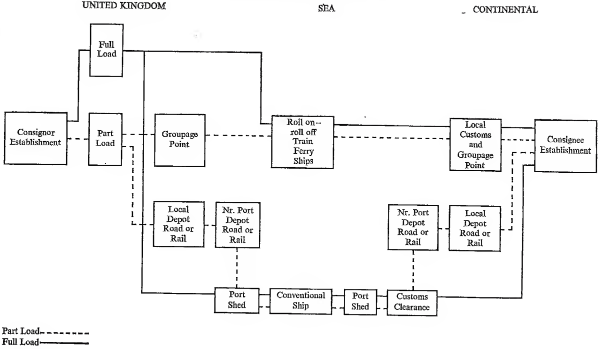
Cumulative totals are corrected by the Board of Trade as further information comes to hand, so it may be found that some totals for previous years have been revised.

(1) The total for UK exports to Belgium for 1964 has been revised upwards, as diamond exports are included from that date.

EXPORT COUNCIL FOR EUROPE.
March, 1966.

APPENDIX IV

Physical Flow of Exports to Europe



APPENDIX V

Case Studies Illustrating Costs of Alternative Methods of Exporting to Europe

A. Introduction

1. Over a wide range of products alternative means for movement of exports to Europe now exist, each of which has certain advantages for particular products.

2. Although an increasing amount of material is becoming available about the use of alternative methods the committee thought it desirable to approach a small sample of firms with good export performances to see how their practices related to these new developments, what problems they were meeting and to what extent choice of transport was affected by indirect costs.

3. The chairman of the Economic Development Committee wrote to the chairmen of a number of major and medium size exporting manufacturers asking them to co-operate in providing material about the movement of their exports to Europe.

4. For the purpose of comparing the cost of moving goods by the various methods available, it was decided to select a specific destination in Europe. Lyons was chosen because it will be the site of the British Week in France in October, 1966, and since that part of France is relatively unexploited by British exporters. This was confirmed since few of the firms approached had any direct trade with the Lyons area.

B. Approach

5. Within the limits imposed by the small random sample of companies approached the choice of transport for 12 products was considered under four main headings :

Conventional sea freight
Roll on/roll off
Rail ferry
Air freight

6. All the companies were willing to provide whatever information they had readily available but in the majority of cases this was found to be limited. This resulted mainly from the terms of trade under which most of their goods were exported. Thus when companies were selling ex-works or f.o.b. their direct interest in or knowledge of freighting matters concerning their own goods was very small indeed. The present trade practices of the companies is given in Annex A.

7. An attempt was made to supplement the information on direct freight costs provided by the firms with additional quotations for the alternative methods of transport prepared by shipping and forwarding agents, but the results were not sufficiently reliable for direct comparisons to be made between the various transport methods.

C. Findings

8. Apart from the specific information obtained on costs the following qualitative observations were made.

a. In most cases, although executives directly concerned with distribution were well aware of the different methods of export transport available their senior colleagues apparently took little direct interest in transport matters.

b. Most of the companies approached relied to a greater or lesser degree on the 'intelligence' provided by freight and forwarding agents.

c. In several companies transport executives referred to the poor quality of packing and warehousing labour.

d. In several cases cramped or badly arranged storage space for goods awaiting or being assembled into composite export consignments, inadequate loading equipment, e.g. pallets, fork lift trucks might indicate lack of the proper level of management attention.

e. Some suggestions were made that exports should have a significant colour marking, e.g. a blue diamond, both during production and in transit.

f. One company sending foodstuffs by roll on/roll off found that the use of pallets for loading permitted a cheaper form of packing which more than offset the direct cost of pallets and speeded up loading.

g. In several cases it was indicated that wider use would be made of roll on/roll off if groupage facilities were increased.

h. One possible drawback mentioned for roll on/roll off was that this service would not be so effective or reliable in winter road conditions or for destinations away from the main trunk routes.

i. Several complaints were made about agents on the Continent and their effect on delays in the movement of goods.

j. Several companies were examining their packing methods with varying degrees of thoroughness but only three were doing so against the background of the needs for alternative methods of transport.

k. With the exception of two companies, none of the companies approached held stocks on the continent. One suggested that if they did, potential customers would be encouraged to bargain on price.

l. The variations in insurance rates for different methods of movement, as shown in Annex B, were unlikely to be the deciding factor.

Summary

9. A study of this limited nature can do no more than illustrate general points and assume that these generalisations are fair comment.

10. Initially the intention was to see what problems companies were experiencing in the physical movement of exports and to what extent choice of transport was affected by indirect costs. In fact only a few companies

were reasonably knowledgeable about their indirect costs at all. In several cases an examination of methods of packing and loading for their present method of movement would probably have indicated worthwhile savings, quite apart from doing so, as a part of considering alternative means of movement.

11. As shown earlier the most common terms of trade were ex-works or f.o.b. and this certainly had the effect that companies had little readily available information about the costs and timing of movements of their goods after they had passed from the companies' sphere of responsibility.

12. Delivered price quotations would certainly help to focus companies' attention not only on direct transport costs but on all matters relating to the efficient and economical delivery of exports. At present this responsibility rests effectively with the freight and forwarding agents.

13. Quite apart from the terms of trade involved, in the majority of cases forwarding agents perform a valuable function in relieving firms of detailed specialist work. It also seems likely that the scope of forwarding agents will increase for the following reasons :

a. The development of the variety of alternative routes and methods and combinations of them makes expert advice over the whole range all the more necessary.

b. Individual companies are tending to export to an increasing number of countries. This would entail acquiring a great deal of international transport expertise if they dealt with forwarding themselves. Only the largest companies could do so economically.

This fact should in no way relieve the individual company from its overriding responsibility for ensuring that their products arrive with their customers in good condition and at the right time. It does underline, however, the national need to ensure that forwarding agents do provide a first-class service.

14. Annex C shows a range of products related by approximate values and densities ; the commodities exported by firms contributing to this study have been underlined.

March 1966

APPENDIX V · Annex A

Terms of Trade to European Countries

Firm

1. Mainly sold ex-works but f.o.b. and delivered prices are quoted if requested by customers.
2. Varied considerably as stipulated in contracts.
3. Terms are f.o.b. Business could not be conducted on a c.i.f. basis because it would upset the company's internal system which is based on factory values.
4. Mainly c.i.f. (delivered price).
5. Delivered f.o.b. to the appropriate British port. Shipping agents are appointed by European stocking agents or customers. Occasional checks made.
6. Supplied f.o.b. No continental warehousing involved by the company.
7. Normally sold c.i.f. company's own staff in Rotterdam directing onwards movement of goods.
8. Varied considerably.
9. Varied considerably.
10. Normally sold f.o.b. No stocks held on continent.
11. Either f.o.b. to UK port or c.i.f. to European port.

Summary

Six companies sold ex-works or f.o.b.

Three companies' practices varied considerably.

Two companies sold mainly c.i.f. (Delivered price)

Specimen Insurance Rates

Shillings per cent

		Conventional Sea	Roll on Roll off Road	Rail Ferry	Air Freight
1	Heavy engineering ..	3/4	2/6	3/4	1/6
2	Tools	3/4	2/6	3/4	1/6
3	Foodstuffs—boxed or goods in tins	5/–	3/6	5/–	1/6
4	Wool piece goods ..	2/6	2/–	2/6	1/6
5	Wool yarns	2/6	2/–	2/6	1/6
6	Pottery	60/–	50/–	60/–	15/–
7	Scientific instruments limit of 1% of glass ..	5/–	4/–	5/–	3/–
8	Chemicals and plastics in drums and harmless ..	5/–	4/–	5/–	1/6
9	Clothing	5/–	3/6	5/–	1/6
10	Engineering components ..	3/4	2/6	3/4	1/6
11	Motor cars	10/–	10/–	10/–	4/6

plus 9d. per cent war risk

APPENDIX V

Annex C

Product Groups by Approximate Values/Densities

Value Bulk	A £0—£100	B £100—£500	C £500—£1,000	D £1,000—£5,000	E £5,000+
(0–40 cu. ft. per ton)	Iron ore Scrap Earths	Non ferrous metals Alloys	Chains Nickel and tin ingots	Cobalt Worked nickel Mercury	Silver industry Bullion Platinum
(40–80 cu. ft. per ton)	Beer Cereals Fertilizers Coal and coke Petrol and oil Most inorganic chemicals	Wines, spirits Seeds Wood manufactures Detergents Plastic materials Most organic chemicals	Dyes and paints Tools Machinery (plant and electrical) Engineering components	Coffee Drugs Machines (office) Tobacco Gramophone records	Aero Engines Jewellery Tea
(80–120 cu. ft. per ton)	Hollow-ware Most fruit and vegetables Rags Low grade paper	Meat and fish Hides Raw wool Pottery Glassware Tinned food	Wool Domestic durables Some dyestuffs	Leather Woollen fabrics Some machinery Clothing	Furs Scientific instruments Hides
(120 + cu. ft.)	Sanitary fixtures Live animals	Agricultural machinery and tractors Furniture	Most vehicles Cotton yarn Some clothing	Cotton fabrics	Cameras Watches

APPENDIX VI

Causes of Delay to Road-Borne Traffic in Through Movement to Europe

A. Conventional short-sea services

1. Road borne traffic to and from the docks is liable to delay owing to congested approach roads. This congestion is not caused primarily by the docks traffic but is merely part of the general congestion in urban areas. The proposed motor road to the London dock area would do much to alleviate the congestion.

2. Delays caused by long queues of vehicles within the docks are usually experienced at deep sea berths where much of the cargo is delivered towards the end of the receiving period, but unnecessarily long queues are formed at Continental sheds by many vehicles each carrying part loads; e.g. ten vehicles each carrying one ton when one 10-tonner could carry the whole lot. Owing to the frequency of continental sailings it is understandable that exporters tend to supply their customers with minimum requirements at regular intervals, but if more use could be made of grouped delivery services to the docks much of the congestion could be avoided.

3. Approximately 80% of the traffic delivered to the London docks is carried by road transport yet the general layout of these docks was designed for the reception of rail-borne traffic. Although the PLA is improving the facilities for road vehicles there is still room for improvement (e.g. the further 'padding' of railway lines and the provision of more unloading bays).

4. Difficulties arise when one unloading gang is working road and rail traffic. Delays occur in the unloading of the lorries while the railway wagons are worked, and vice versa. Split gangs could provide an answer but this would probably create labour problems.

5. Delays occur when drivers who are not familiar with docks traffic arrive at a shed to find that the documents have to be lodged elsewhere. More explicit signposting within the docks would be helpful.

6. The more intensive use of existing facilities at docks continues to be a vital requirement for improving and increasing the flow of exports and imports. This involves the consideration of ways of changing both the number of hours per day and hours per week during which port facilities and equipment can be used.

7. The PLA scheme whereby less than full consignments of up to one ton can be received by the Authority in a depot before being taken to the ship's side has features which suggest it could usefully be introduced, perhaps in a modified form, at other ports in the UK.

B. Direct road movement to and from Europe

(a) *Export traffic*

8. Very few direct trailer movements are subjected to considerable delay.

(b) *Import traffic*

9. Considerable delays are frequently experienced and practically all of these delays can be attributed to documentation difficulties. Either the documents are not available when the goods arrive or they are incorrectly compiled. In both cases the physical examination of the goods is delayed, the berth becomes congested, and the equipment is not available to re-load export traffic. The responsibility for these delays lies mainly with the continental exporter, the importer or his agents, or a combination of all three. The problem could be very largely solved if HM Customs were prepared to examine the goods against the consignment note and to accept the import entry and accompanying documents within six days of landing. I appreciate that an appropriate standing deposit would be required by HM Customs but I feel sure that importers and their agents would be prepared to establish the necessary bond in order to eliminate the existing delays.

10. I understand that the British Government is due to ratify the CMR Convention very shortly, and when CMR is effective the consignment note could almost be regarded as an official document which might be acceptable to HM Customs.

(c) *Inland Clearance Centres*

11. The establishment of such centres would do much to relieve the congestion and delay at present experienced in the field of groupage and part-load traffic carried in containers and semi-trailers.

J. A. MURLY,

Transport Development Group Ltd.
12th November 1965

APPENDIX VII

Maximum Vehicle Weights and Dimensions in Great Britain and Western European Countries

1. The maximum weights and dimensions of vehicles permitted in Great Britain are specified in the Motor Vehicles (Construction and Use) Regulations 1963 (S.I. 1963 No. 1646) as amended by S.I. 1964 No. 1169 (Annex A). The increased weights and dimensions introduced by these amending regulations in August, 1964 were the outcome of a comprehensive review specifically aimed at bringing our requirements as nearly into line with continental practice as was practicable. The adoption of the metre unit of length was a by-product which facilitated a greater degree of uniformity. It is generally true to say that since the upward revision of the limits became effective these admit all but the largest continental vehicles. Furthermore, domestic UK regulations are only applied to foreign vehicles entering the country in respect of weight and dimensions : the other requirements of the regulations are waived provided the vehicles concerned comply with their own national regulations.

2. Annex B tabulates the main differences between the British requirements and those in the main European countries ; this is based on the latest information available in the Department, but not all the material may be entirely up to date. This shows that British regulations are not always as restrictive as those in force elsewhere and that there are intra-continental differences as well as variations between the Continent and Britain.

Maximum Dimensions

3. As regards dimensions, maximum *length* is subject to the most variation. For *rigid motor vehicles* our 11 metre maximum length, irrespective of number of axles, falls short of the 12 metres allowed by Austria, Belgium, Denmark, Spain, Luxembourg and West Germany to vehicles with 3 or more axles. On the other hand, it exceeds the 9·14 metres in Eire and 10 metres allowed by Portugal and Switzerland to vehicles with any number of axles, and the 9·14 metres in Eire and 10 metres allowed by Denmark, Greece, Italy, Luxembourg, Netherlands, Portugal and Switzerland to 2 axled vehicles.

4. For *articulated vehicles*, a maximum length of either 14 metres or 15 metres is general on the continent as compared with our 13 metres. For *draw-bar trailers*, Europe allows up to 11 and 12 metres against our 7 metres, but this wide variation is off-set by a greater degree of uniformity in the overall limit for a motor vehicle plus trailer combination, where our limit of 18 metres is exceeded only in Luxembourg.

5. The 2·5 metres maximum *width* is in line with Europe generally. Great Britain specifies no maximum *height* limit, whereas a limit of between 3·5 and 4 metres is fairly common on the continent.

Maximum Laden Weight

6. For a *rigid lorry* there is no great variation in the gross weight between

countries, although the Belgian and Luxembourg maxima are higher than in Great Britain and the heavier lorries of our hauliers would be restricted in Finland, Italy and Switzerland (except for two axled lorries). Of the countries specifying *trailer* weights, only Belgium permits appreciably higher weights for draw-bar trailers than Great Britain. In Finland, Italy, Ireland, Norway, Portugal and Switzerland maximum weights are appreciably lower. The maximum weights for *articulated vehicles* in the Benelux countries and France are quite considerably higher than the rest of Europe. In the three-axled range, in addition to these countries, Denmark, West Germany, Ireland and Spain permit slightly higher weights than this country, although those in Italy are again lower. In the four or more axled classes, however, the British maximum is comparable to the rest of Europe except the Benelux countries and France. The maxima in Eire for these classes and in Portugal and Switzerland are somewhat lower.

7. British maximum weights are subject to conditions relating to the minimum distance between the outermost axles. It is not yet clear whether Continental vehicles would find themselves restricted by these requirements.

Container Dimensions

8. It has been suggested that difficulties also arise from prescribed maximum lengths for containers, which were said to be lower in this country than those in common use on the Continent and USA. In fact, there are no prescribed dimensions for containers as such. There is an internationally agreed standard section for containers of 8′×8′ and the standard lengths in the ISO standard are 10′, 20′, 30′ and 40′. The British standard follows these dimensions, but omits the 40′ length from its recommendations. These, however, are only *recommended* standards and not compulsory ones.

9. Limitations do arise, however, in the carriage of containers by other forms of transport. On the *railways*, there are limitations both to the height and to the length of containers that can be carried. Curves on lines and platforms may limit the length of containers which may be carried on some routes. Moreover, it is not possible at present to carry containers 8′ high by rail. It will, however, be possible for these to be carried by liner trains and the new small-wheeled rolling stock.

10. Where a container is carried by *road*, it is regarded as a load provided it is lifted on or off a vehicle when loaded. The regulations impose no limit on the length of loads, though overhang to the rear of more than 3 feet 6 inches has to be suitably marked. The maximum width of a load is 9 feet 6 inches, but it is unlikely that containers as wide as this will be in use as it exceeds the recommended standard section (see para. 8 above).

11. There is no legal bar to using containers of the lengths recommended by the ISO and the BSI in Great Britain, but some difficulty might be experienced in the *carriage by road* of containers constructed to the maximum of 40′. The maximum overall length of an articulated vehicle suitable for such an operation is 13 metres, including the drawing unit and the semi-trailer. This would allow a platform of approximately 35′. The conveyance

of a 40′ container on such a vehicle would entail an overhang to the rear of the vehicle of approximately 5′. With a lightly loaded container this might be acceptable, but there is the possibility that with a heavily loaded container undesirable stresses may be placed on the vehicle and the container. It might also increase the weight on the rear axle beyond that permitted by the regulations, or it might cause instability of the vehicle by placing too much weight on the rear. Such use of containers has, therefore, not been encouraged.

12. It is not at all clear at this stage, however, that this raises any real problem. As far as the Ministry are aware, 40′ containers are not in widespread use on the Continent and it is not yet clear whether it is an economic unit of operation here. It is clearly economic to carry containers only if they are normally fairly full, and the optimum length might well be considerably below 40′. For example, Sea-Land use a 35′ container and that the general standard length internally in the United States is only 20′. It therefore seems unlikely that the Construction and Use Regulations cause any serious problems in relation to containers.

Basis of Present British Limits

13. The considerations which led to our limits for length and weight for some types of vehicle being kept below limits uniform in some continental countries were essentially considerations of safety and traffic flow, and in the case of weights, bridge strengths. Opposition to further increase was voiced by a number of organisations, including the Royal Society for the Prevention of Accidents, the Standing Joint Committee of the RAC, AA, and RSAC, Local Government Associations, the Home Office, and the Transport and General Workers Union, on the grounds of the increased congestion and delay caused for example by the difficulties of negotiating sharp corners, and of road safety. Many comments were also received from other interested organisations, and there were suggestions in particular that large vehicles should be kept off unsuitable roads.

Designated Routes

14. The gross maximum permissible weights of motor vehicles in Britain have always been allied to what it is considered the bridges and roads can bear with safety. They have been increased as vehicle design and road construction techniques have improved, but the existence of several thousand weak road bridges, a large proportion over railways and canals, has hampered further increase in weight limits. Many of these weak bridges are a legacy of Britain's early start in industrialization and although their number is being slowly reduced by the building of by-passes and other road improvements, many hundreds remain ; the only means of protecting them adequately is by the control on maximum weight limits of road vehicles.

15. Some work has already been done in investigating the practicability of catering for restricted use of larger vehicles by some system of designated routes, but this is essentially a long term affair and more investigation has to

be carried out. As a result of a survey undertaken by the Ministry, however, an embryo network of routes known to be capable of taking loads up to 40 tons gross weight has been produced. Further work on these lines depends, however, on:

a. completion by British Railways of a survey of all of their 30,000 bridges carrying roads over railways. Only about 20% have been examined so far.

b. information about the suitability for European vehicles of bridges able to take a 40-ton load under British regulations. It is possible that difficulties may arise from the different requirements on axle spacing. This information is being sought.

Even if a network of routes could be designated, however, difficulties may arise where points of origin or destination are not on a designated route.

Commentary

16. The main problem arises from the fact that the existing regulations hamper the use in Britain of equipment owned by foreign operators, and the foreign governments concerned may therefore be disinclined to remove obstacles to the trade in general and to the use of British vehicles in their countries in particular. The regulations may also be considered by some to place an undesirable restriction on the most economic use of through transport, thus inhibiting its growth.

17. The comparison in paras. 3—7 above suggests that the main differences between British and Continental regulations are in respect of maximum lengths of articulated units and of gross and axle weights generally. It seems likely that the length restriction will prove to be the most important in practice. If a foreign vehicle exceeds the maximum length permitted in Great Britain, it cannot be used here. Where British maximum weights are more restrictive than those on the Continent the vehicle could still be used here provided it is not loaded to its full capacity. While this might appear to make the operation of doubtful economic viability, the number of *heavy* —as opposed to *bulky*—cargoes which load the vehicle to its maximum weight is comparatively small, and such weight restrictions are much less likely to restrict traffic. Nevertheless Britain will probably be pressed by some Continental countries to relax some weight restrictions—to what extent remains to be seen—as the price for the admission of British operators to their haulage markets and for permission to transit their countries.

18. The Ministry is ready to consider any argued case that may be put forward for relaxation of these requirements, particularly that on vehicle lengths. It is made clear in para. 13 above, however, that any proposal to increase maximum permissible vehicle length would be likely to raise objection from many quarters on traffic and road safety grounds, and the change could only be made if it were established that the economic and political advantages accruing from the change outweighed the difficulties it would involve.

19. In these circumstances there appear to be four positions which could be adopted in relation to the problem of maximum lengths for articulated vehicles :

a. to maintain the existing position if the traffic and safety factors appeared to outweigh the economic and political advantages of change ;

b. to permit foreign vehicles complying with their own national regulations to come here whilst retaining the existing regulations for British vehicles. Such a course might possibly be so framed as to extend only to vehicles entering Britain in accordance with international agreements. It might need to be limited, however, to designated routes, which would take some time to designate ;

c. to extend the maximum prescribed lengths to 15 metres for all vehicles engaged on international movements, whether UK or foreign-owned ;

d. to extend the limit to 15 metres for all vehicles in this country (this, of course, is beyond the terms of reference of the Working Party).

These alternatives are already under consideration in the Ministry, but at the present stage it is not possible to decide whether a change on the lines indicated at (b), (c) or (d) is desirable. If the Working Party consider that valuable economic and/or political advantages would arise from either of the changes postulated at (b) or (c), the Department would be glad to consider any case the Working Party may put forward.

Ministry of Transport

12th November 1965

Summary of Maximum Permitted Weights and Dimensions in the United Kingdom

DESCRIPTION		NOTES
WIDTHS		
Locomotives ..	2·75m (9′ 0¼″)	A locomotive briefly is a mechanically propelled vehicle not constructed itself to carry a load and the unladen weight of which exceeds 7¼ tons.
All other classes of vehicle	2·5 m (8′ 2½″)	Trailers and semi-trailers, however, may not exceed 7′ 6″ in width unless drawn by a locomotive, a motor tractor or a heavy motor car (generally a load or passenger carrying vehicle above 3 tons in unladen weight), or, in the case of an articulated vehicle, by a tractor portion which in a motor car exceeding 2 tons unladen, may not project laterally on either side of the drawing vehicle by more than 12″.
HEIGHT		
Public service vehicles	15′	
Others	—	There is no maximum height specified for any class of vehicle except a public service vehicle.
LENGTHS		
Rigid motor vehicles	11m. (36′ 1″) ..	
Articulated vehicles	13m. (42′ 7¾″)	No set limit if constructed and normally used to carry indivisible loads of exceptional length.
Separate trailers ..	7m. (22′ 11½″)	
Rigid vehicle drawing trailer ..	18m. (59′ 0¼″)	18 metre combination length comes into effect after 1st January 1966.
WEIGHTS	TONS	The amendment to the UK Regulations which came into force on 21st August 1964 permitted heavier weights to be carried on vehicles in this country if: (I) being permanently based in the UK it (a) was registered on or after 1st February 1963 (b) has brakes which by one means of operation has a total braking efficiency of not less than 50% and which by a second independent means of operation has a total braking efficiency of not less than 25%

DESCRIPTION			NOTES
			(c) was "plated" by the original manufacturer as being capable of carrying the higher weight (d) complies with specified minimum axle spacings (II) being brought temporarily to this country, it (a) complies in other specified respects with the Construction and Use Regulations. (b) is "plated" by the competent authority in the country in which it is registered as being capable of carrying the higher weights.
A. *Axle Weights*			
One wheeled axles	4½		Respective figures are 5 and 10 tons if wheels are fitted with twin tyres at not less than 12″ centres or with wide tyres and satisfy the above note. For locomotives it is 11 tons.
Single 2-wheeled axles	9		
Single 4-wheeled axles	11		
Tandem axles ..			
(a) at least 3′ 4″ but less than 4′ apart ..	16		
(b) at least 4′ but less than 7′ apart ..	18		
B. *Vehicle Cross Weights*			
Rigid motor vehicles and separate trailers			
(a) 2 axles	14		If above main note satisfied then
		15	if the axles are at least 10′ 8″ apart;
		16	if at least 12′ apart.
(b) 3 axles	20		
		22	if the outer axles are at least 18′ apart
(c) 4 or more axles	24		
		26	if the outer axles are at least 23′ apart
		28	if at least 26′ apart
Articulated vehicles			
(a) 3 axles	20		
		22	if the outer axles are at least 18′ apart;
		24	if the trailer has a four-wheeled axle;
(b) 4 axles	24		
		26	if the outer axles are at least 23′ apart;
		28	if at least 26′ apart;
		30	if at least 32′ apart;
		32	if at least 38′ apart;

DESCRIPTION		NOTES
(c) 5 or more axles	24	
	26	if the outer axles are at least 23′ apart;
	28	if at least 26′ apart;
	30	if at least 29′ 6″ apart;
	32	if at least 32′ apart;
Motor vehicles drawing a trailer	24	
	32	if fitted with power-assisted brakes.

APPENDIX VII

Annex B

Differences between United Kingdom and European Requirements

I Rigid Motor Vehicles.

COUNTRIES PERMITTING LARGER VEHICLES THAN UNITED KINGDOM (i.e. more than 11 metres)		COUNTRIES WHICH DO NOT PERMIT VEHICLES OF MAXIMUM UNITED KINGDOM DIMENSIONS (i.e. less than 11 metres)	
Austria (if 3 axled)	12m.	Denmark (if only 2 axled)	10m.
Belgium	12m.	Finland (less than 2·5 m. wide)	
Denmark (if 3 axled)	12m.	Greece (if only 2 axled)	10m.
Western Germany (if 3 axled)	12m.	Italy (if only 2 axled)	10m.
Luxembourg (if 3 axled)	12m.	Ireland	9·14m.
Spain (if 3 axled)	12m.	Luxembourg (if only 2 axled)	10m.
		Netherlands (if only 2 axled)	10m.
		Norway (less than 2·5m. wide)	
		Portugal	10m.
		Switzerland	10m.

COUNTRIES PERMITTING HEAVIER GROSS WEIGHTS THAN UNITED KINGDOM	COUNTRIES WHICH DO NOT PERMIT VEHICLES TO CARRY AS HIGH A WEIGHT AS PERMITTED IN UNITED KINGDOM
Belgium	Finland
France	Italy
Luxembourg	Switzerland

II Articulated Vehicles

COUNTRIES PERMITTING LARGER VEHICLES THAN UNITED KINGDOM (i.e. more than 13 metres)		COUNTRIES WHICH DO NOT PERMIT VEHICLES OF MAXIMUM UNITED KINGDOM DIMENSIONS (i.e. less than 13 metres)	
Austria	15m.	Ireland	10·06m.
Belgium	15m.	Portugal	12m.
Denmark	14m. or 15m.		
Finland	14m.		
France	15m.		
Western Germany	15m.		
Greece	14m.		
Italy	14m.		
Luxembourg	14m.		
Netherlands	15m.		
Spain	15m.		
Switzerland	14m.		

COUNTRIES PERMITTING HEAVIER GROSS WEIGHTS THAN UNITED KINGDOM	COUNTRIES WHICH DO NOT PERMIT VEHICLES TO CARRY AS HIGH A WEIGHT AS PERMITTED IN UNITED KINGDOM
Belgium Denmark (if 3 axled) France Western Germany (if 3 axled) Ireland (if 3 axled) Luxembourg Netherlands Spain	Italy (if 3 axled) Ireland (if more than 3 axled) Portugal (if more than 3 axled) Switzerland (if more than 3 axled)

III · Road Trains

COUNTRIES PERMITTING LONGER ROAD TRAINS THAN UNITED KINGDOM (i.e. more than 18 metres)	COUNTRIES WHICH DO NOT PERMIT ROAD TRAINS OF MAXIMUM UNITED KINGDOM DIMENSIONS (i.e. less than 18 metres)
Luxembourg 20m.	Austria 16·5m. Spain 14m. Ireland 14·63m. Portugal 14m.

APPENDIX VIII

Vehicle Lengths and Weights—Recommendations to The Ministry of Transport

Introduction

1. In Appendix VII the Ministry of Transport stated that preliminary consideration had already been given to possible changes to Construction and Use Regulations for Motor Vehicles, including the aspect of maximum lengths of articulated vehicles, and that they would take into account any arguments for change on political and/or economic grounds which the Working Party might wish to put forward. After discussion the Working Party agreed to urge a change in government policy which would allow an effective increase in the length of articulated vehicles under the Motor Vehicles (Construction and Use) Regulations. Various weight problems are, of course, associated with length.

Objective

2. The objective of the Working Party is to make recommendations which will facilitate the through transit of goods to Europe. In this the development of roll-on/roll-off and lift-on/lift-off services is extremely important. The Working Party consider that, where possible, any constraint on the international interchange of vehicles and containers should be avoided. The present regulations constitute such a constraint and should, therefore, be relaxed.

Summary of the Position as Stated by the Ministry of Transport

3. The Ministry's position is summed up in paragraphs 16—18 of Appendix VII. Briefly, it is that, although the present regulations allow most continental vehicles to enter the UK, some British regulations are more restrictive than those of continental countries. Our weight restrictions are unlikely to inhibit the most economic use of through transport but our regulations on the length of articulated vehicles may do so as they do not allow a 40 ft. container (an ISO but not British Standard length) to be carried except with a measure of overhang ; this is not illegal but may overload the rear axle.

4. The objections to a relaxation of the regulations are on grounds of safety, traffic flow, and the weakness of a large number of bridges in the UK, and it would have to be established that the economic and political advantages accruing from a change would outweigh these. Meanwhile a start has been made on strengthening the bridges, and a system of designated routes for heavy traffic is being considered.

The Case for Change

(a) *Desirability of Alignment Generally*

5. The Working Party take as self-evident the desirability of aligning as far as possible practice in Great Britain with that prevailing on the

Continent. Progressive economies of scale are achieved as the size of vehicles and containers are increased. Size brings problems, but experience shows that these tend to be progressively solved over time by efficient operators. The presumption must be that the 40 ft. container standard adopted by ISO last year is generally considered feasible and that it will be increasingly used by efficient operators. The UK will find itself at a disadvantage if the largest sizes of vehicles and containers cannot be used. Transit costs to Europe will not be at a minimum. Further, efficient continental transport operators will be faced with a disincentive to invest in the most modern equipment for the UK trade if the largest equipment cannot be used on this side of the Channel. This will impair the adequacy of facilities for through transport to Europe, which depends on investment on both sides of the Channel. The result will be unfortunate for UK trade, to which the continental market is, of course, extremely important. Geographically, the UK is not at the centre of the European market; every possible step to reduce the cost of transport to Europe should therefore be taken.

(b) *Development of Unit-Load Systems*

6. The evidence of the development of unit-load systems is such as to suggest that the problem is much more urgent than is stated in the Ministry paper (Appendix VII).

(i) Roll-on/Roll-off

7. The Ministry of Transport has pointed to the rapid growth in the number of road vehicles using cross-channel ferry services. In 1955 less than 3,000 tons of goods were carried this way; in 1962 the amount had risen to 88,000 tons. In 1964 this increased to an estimated 250,000 tons and the indications are that, with the expansion of facilities, there was a further rapid increase in 1965. Further plans of British and continental shipowners, though in some cases not completely certain, show that considerable extra capacity will become available to hauliers in the years to 1968.

8. Although the development of these services is beginning to provide a reliable and speedy method of export movement, the removal of divergencies between continental and UK regulations would make for interchangeability of road transport facilities within Europe, the maximum efficient use of available equipment, and greater operational flexibility. Furthermore, an extension of the permitted length for articulated vehicles would confer economic benefits upon the road haulier through his ability to carry larger loads.

(ii) Container Services

9. With reference to the Ministry's views in paragraph 12 of Appendix VII on the use of 40 ft. containers, the Working Party emphasize the importance to export movement of the development of containerized transport, and urge the following considerations.

10. Obviously it is more economical to handle one vehicle needing one driver with one 40 ft. load rather than two vehicles needing two drivers each with a twenty foot load. If 40ft. containers prove to be the size most used in the future we shall clearly be at a disadvantage if we cannot handle them; if 20ft. proves to be the size there are advantages in being able to handle two together.

11. Admittedly 40ft. containers are not yet much used in this country on account of our vehicle regulations, but they are in extensive use in the USA, and a movement to Benelux and Germany has already started and is rapidly developing. It is reported that the American Maritime Commission now requires subsidized ships to be able to accommodate 20—40ft. vans. One American company is reported to be allocating a quarter of its capacity on its six new container ships to the 40ft. size. Much of this is going through Rotterdam but there are three or four ports in Northern Europe which can handle them and others are making preparations to do so. Unless we start both building the requisite vehicles and making preparations for handling the larger containers at the ports, we shall find ourselves left behind in two years time when the traffic will probably have greatly developed, particularly perhaps in regard to cross-channel traffic going into Europe.

12. Some companies have already used 40ft. containers on roads in the UK, particularly for large, light loads ; others would do so for export to Europe were it not for difficulties with the regulations. Another problem at present connected with their use is that the legal interpretation of the regulations is not yet clear ; for instance, it is not clear to hauliers whether containers count as a vehicle or as a load.

13. On the detailed economics of 40ft. containers it is agreed that much remains to be known, as on the operational requirements. A team from a British consortium is now examining in a number of countries the possibilities of using containers of this size.

14. It seems that British involvement in the coming American container services to Europe, notably Rotterdam, will be initially limited to that of providing a feeder service, pending the build-up of enough traffic to justify direct services between the UK and America. The Working Party note that this will involve the ferrying across the Channel of containers to ports such as Rotterdam by roll-on/roll-off vessels and is concerned that hauliers should be able to take advantage of these posisbilities over the whole range of ISO standard sizes of containers.

15. For the reasons given above the Working Party believe that current conditions favour a change in the regulations. Further developments, and notably the arrival in Europe within the next few months of American container ships which will be partly fed from this country, strengthen this view. However, it is unlikely that there would be a sudden influx of the largest containers into this country. The build-up would be over a period and this would enable the associated necessary changes such as strengthening of bridges and further work on recommended routes to be made. In particular should be stressed the existence of international standard sizes

of containers (including that of 40ft.), to which operations within Europe and from the USA to Europe are being increasingly geared.

(c) *Removal of Obstacles to Trade*

16. The Working Party agree with the Ministry that the removal of inhibitions on the use of their equipment by foreigners in the UK would constitute a valuable source of goodwill. An incidental but important benefit stemming from a change in Construction and Use Regulations is that commercial vehicle and trailer manufacturers would be able to use the same machine settings and operate the same production lines for both home and export models.

Considerations of Safety and Traffic Flow

17. While appreciating the legitimate concern of the bodies listed in Appendix VII (para. 13) in the factors of safety and traffic flow, it is questionable whether larger vehicles are less manoeuverable (and therefore more liable to cause congestion and delay) or more dangerous. Manoeuverability would seem to be more a feature of type of vehicle than of size or weight ; further, official statistics demonstrate that the large heavy vehicle is involved in relatively fewer accidents than other classes of vehicle. It is urged that these considerations should be evaluated again, and if need be that some research be undertaken by an appropriate body such as the Road Research Laboratory.

18. The point has also been made that a change in the regulations ought actually to make for greater rather than less safety. At present there appears to be nothing in the regulations to prevent a 40ft. container being carried as a load but the supporting vehicle may not be longer than 35ft. A 5ft. overhang is probably more dangerous than having a container which is fully supported, and road hauliers may be in a considerable difficulty in deciding what is a safe load if the regulations are not changed. Since it takes some time to produce the vehicles and plan future operations, this is a matter of urgency. If the 15 metre (40ft.) vehicle length were allowed, perhaps a counter regulation preventing overhanging might be considered.

Difficulties Concerning Weak Bridges

19. The strengthening or replacing of weak rail, road or canal bridges must clearly take considerable time, but work should be promoted as rapidly as possible.

20. There are obvious advantages in operating a system of recommended routes ; the reasons for such a system being regarded as a long term development are not very clear to the Working Party. It might be an effective short-term measure pending investment in bridge works, particularly as an embryo scheme has already been worked out by the Ministry. Where points of origin or destination are not on the specified routes, there might have to be some breaking of bulk outside main inland industrial centres.

Recommendations

21. It is recommended that the regulations covering length of articulated vehicles should be clarified and should be altered both to allow 15 metres overall length and to allow an increase in maximum weight related to length and number of axles. This would permit the safe loading of 40ft. containers.

22. In addition, the Working Party suggest:

(i) there should be continuing consideration of safety and congestion factors, if need be including research by an appropriate body such as the Road Research Laboratory;

(ii) a system of recommended routes for heavy traffic should be put into effect as soon as possible;

(iii) in relation to recommended routes there should be co-ordination between the Ministry or relevant parties such as British Railways and Local Authorities to establish priorities in bridge reconstruction.

National Economic Development Office
11th February 1966

APPENDIX IX

The Development of British Railways Ports, Rail Systems and Terminals for the Transport of International Traffic in Containers and Wagons

1. The development by British Railways of new and improved shipping systems providing through freight services to the Continent, as described in the previous paper, necessitates the modernisation of port facilities and terminals to enable the ships, trains and road transport to operate at their maximum efficiency as parts of a fully integrated system.

The basic thinking behind this plan acknowledges that if the ships, trains and road vehicles are to be kept moving with the minimum turn-round delays, the ports and terminals at which transfer operations take place must act as 'buffers' between each component of the system, capable of absorbing the day to day fluctuations in traffic. This is of particular importance to international traffic where the rate of movement in influenced to a considerable degree by customs clearance procedures.

2. The principal British Railways owned ports through which short-sea continental traffic passes are Harwich and Newhaven with Folkestone taking a minor share. Dover, which handles substantial flows of traffic in ferry wagons and road haulage vehicles is owned by the Dover Harbour Board from whom the railway operating areas are leased.

At Harwich a project for the complete modernisation of Parkeston Quay is being developed and is now awaiting authorisation. This provides for container ship berths equipped with high capacity transporter cranes, a container park with customs clearance facilities and a terminal for container trains. In addition, to allow for the introduction of roll-on/roll-off passenger/freight services on the Scandinavian and Dutch routes, new berths equipped with loading ramps and associated shore facilities are to be provided. The new port lay-out is being designed so as to allow for substantial future expansion.

At Newhaven the modernisation of the port, begun in 1964 with the provision of a new passenger/vehicle ferry terminal, is to be continued.

3. The railway services which will connect these ports with the main inland centres will follow the principles of the Freightliner concept of movement in train loads or part train loads between special terminals equipped for container transfer operations. The provision of customs clearance facilities at the major inland centres is also envisaged in order to assist the freedom of movement by relieving the ports of a proportion of their customs work and so help to avoid congestion and delays.

In this connection it is particularly important to note that in addition to exports these inland depots must provide for the customs clearance of *import* traffic which involves a much more complex and time consuming procedure with resultant delays and detention of wagons, containers and road vehicles reacting on export movements. It is envisaged that these inland terminals will handle deep-sea as well as short-sea exports and imports and will be operated in association with forwarding agents and the road haulage industry which will greatly facilitate and cheapen the bulking and distribution of 'groupage' traffic (small consignments). This traffic, although small in terms of tonnage compared with full vehicle-load business, is of great importance to the smaller manufacturing firms, and those with products of small bulk but high relative value with a well scattered distribution on the Continent.

Present planning includes the provision of inland terminals in London (Stratford)—already under construction—Manchester, Sheffield, West Riding and Birmingham.

4. A key factor dictating the rate of growth of the new concept of international freight movement in unit-loads will be the question of container provision. The general policy of the railways in Europe is to provide the wagons and traction, whilst the containers will be supplied by their customers either as individual firms or as consortia of transport interests. This view is shared by British Railways since the number of containers required to provide regular and frequent international services will be very large and could not be financed by the railways alone. This, however, is not to say that there will not be some railway owned containers in circulation, and charging policy allows for both inclusion and exclusion of container provision costs.

This profusion of containers will in turn raise the problem of control to ensure the most economical and efficient utilisation of the equipment. This will eventually require the employment of the most sophisticated communication and data processing techniques probably controlled by an international organisation on somewhat similar lines to the present European railway wagon control system.

British Railways Board
10th November 1965

APPENDIX X

The Development of Unit-Load Movement on the European Continent

1. The concept of movement of general merchandise in containers has been developing more slowly within Europe than in the USA or in this country. The primary reason for this is that in most European countries—particularly in France—competition between road and rail has been more strictly controlled by government legislation; moreover the average distances over which the principal flows of general merchandise are moving are generally longer than those within the UK. Over distances exceeding about 400 kms, rail movement in conventional wagons still has a cost advantage over road where adequate flows of traffic are generated.

2. Three factors have, however, recently brought about a change of attitude on the part of the European Railways, and in particular the Belgians (SNCB), Dutch (NS) and Germans (DB). These are :

- (i) The increasing pressure of road haulage using large vehicles up to the maximum permitted dimensions particularly over the medium distances up to 400 kms. This is attracting traffic away from the railways by virtue of its flexibility and its ability to move loads from door to door.
- (ii) The influence of American container operators who are now extending their activities into Europe, commencing effectively in 1966.
- (iii) Increasing rail-head terminal costs due to continuing increases in wages of handling staff.

3. In order to meet this situation the European railways are developing various systems of transferable unit-load on a somewhat ad hoc basis, and it is not possible at this stage to foresee exactly how the future pattern will emerge. Basically the systems being used are as follows :

- (i) "Piggy-back" or "Kangaroo" consisting of semi-trailers carried on special rail wagons, generally in train-loads between specific points. This involves the haulage of considerable tare weight in relation to payload, but railhead transfer costs are comparatively low. The SNCF (French Railways) have introduced a number of these services with varying degrees of success.

  It should be noted that whilst this system is possible within the Berne loading gauge it is impracticable within the British gauge which is more restricted, unless a substantial reduction in trailer height—and hence payload—is accepted.

- (ii) Side-transfer container systems of which there are basically two, namely :
  - (a) "Flexivan", which is an American unit generally measuring 8′ 6″ high and 8′ wide which is transferred between a special road bogie and a flat rail wagon fitted with a turntable. This system requires simple and inexpensive railhead terminals, but

the road and rail equipment is more costly than standard semi-trailers and flat wagons, and again involves the haulage of greater tare weight. The height of the Flexivan (8′ 6″), moreover, makes it unsuitable for general movement on rail in this country, moreover it is incapable of universal application due to the need for special road and rail vehicles.

It should be noted in this connection that the American Integrated Container Service, with the co-operation of the railways, have formed a company called TERRE (Trans European Road Rail Express) financed by Swiss and Belgian banks. This company will construct special Flexivan wagons to provide for four trains per week from Rotterdam/Antwerp to Chiasso or Milan and Rotterdam/Antwerp to Frankfurt and vice versa. TERRE has guaranteed to the railways payment for a minmum of 200 tons per train and road haulage interests have been brought in to service the trains which will carry both import/export (transatlantic) and internal traffic.

(b) "Side-loader" container systems which again have been developed initially in the USA and consist of semi-trailers fitted with hydraulic equipment for sliding containers on and off railway wagons. For this purpose special ratchet devices have to be fitted to the underside of the containers. This system again simplifies terminal requirements but involves the use of special and more expensive semi-trailers. It is also somewhat slow in operation. The French Railways have recently formed a subsidiary company to develop this system in the hope of improving on the Flexivan.

(iii) The overhead container transfer system using special transporter cranes has not yet been developed very far on the Continent. Although it is without doubt the most efficient method, requiring only simple flat wagons and ordinary flat semi-trailers for general application, the cranes and terminals are costly and can only be justified where traffic flows are fairly heavy. The Belgian, Dutch and German Railways are, however, planning a number of main container centres probably employing this method which is the one most favoured in this country.

4. It appears likely that the European railways will eventually be forced to adopt, at least for the main flows, a standard system using the 8′ × 8′ end profile container lifted at the top corner posts (method (iii) above). This design of container has recently been agreed by the International Standards Organisation at the Hague. A great deal will, however, depend upon commercial expediency and the influence of operators (rail and sea) who can inject the heaviest flows of container traffic into the system during the crucial formative stages. The International Railways Union (UIC) has now formed a special "Pushing Group" charged with the task of drawing up a container-operating technical and commercial policy for the European Railways, and this Group expected to report its recommendations by June this year.

The British Railways Board appears to be somewhat ahead of its continental counterparts in its thinking on containerisation, and is now taking urgent steps to move into the European container system with a new service commencing in 1967/68. It is hoped in this way to influence the use of containers which will be best suited to requirements in this country, hence enabling Britain to play its full part in the future pattern of international general merchandise transport.

British Railways Board
10th November 1965

APPENDIX XI

The Development of Unit-Load Shipping Systems in the Short-Sea Continental Trade

1. For the shipment of general merchandise in unit-loads across the North Sea and English Channel three systems are available, these are:

Train Ferry

These services have been in operation since the 1930's on the Harwich—Zeebrugge and Dover—Dunkerque routes using ships designed for stern loading and discharge of railway wagons over link spans connecting the train deck with the shore. The ships carry from 26 to 35 railway wagons, which can be loaded and discharged very quickly by shunting locomotives.

In conjunction with the European Railways a fleet of some 9,000 train ferry wagons, built to the British loading gauge and fitted with dual braking systems, is operated. The majority of these wagons are European owned.

Roll-on/Roll-off

These services are operated by road vehicle ferries, and there has recently been a considerable expansion both in shipping capacity and in the number of routes served. In certain cases the services are primarily run for the summer tourist car traffic, with freight in semi-trailers and lorries as a subsidiary business, whilst in others carriage of freight traffic is the prime or sole objective.

Actual shipping costs per ton of payload by these services tend to be high, due to the special construction of the ships and shore terminals, but total movement costs are lower than for conventional cargo services, due to the substantial reduction in port handling and delays.

It should be mentioned that the train ferries described in (a) above also carry road haulage vehicles on their train decks.

Container Ships

Although there are a number of services carrying privately owned or railway containers in combination with general cargo on road haulage vehicles, there are as yet no ships in the continental trade specifically designed in accordance with the latest thinking on container shipment as developed in the USA.

This system requires ships fitted with cellular holds into which containers of 8′×8′ end profile are loaded semi-automatically by means of high capacity transporter cranes. Extensive shore terminal facilities comprising container parks and special handling appliances are required at the ports to enable the ships to be turned round quickly, and the entire operation must be planned and controlled as a closely integrated system.

2. Investigations recently carried out by the British Railways Board have shown that of the three systems described above, the container operation 1 (c) is potentially the most efficient and has the lowest movement cost per

unit where the flows of traffic are dense enough to support the substantial capital investment required in ships, port terminals and containers. This unit-cost advantage, however, tends to decrease in proportion to the length of sea passage, and on the shortest routes there is little to choose between the lift-on/lift-off and roll-on/roll-off systems.

It is therefore considered that on the longer routes of, say, 50 miles and upwards cellular container ships will come into use on routes aligned with the major flows of Anglo-continental traffic. On the short routes roll-on/roll-off systems will operate, and by employing multi-purpose ships will carry freight in containers and road haulage vehicles, in addition to passenger and private cars.

The Board is now actively engaged in planning a container service across the North Sea based on Harwich (Parkeston Quay), the objective being to commence operations about mid-1967.

It is probable that this will be the first service of its kind operating anywhere on this side of the Atlantic, and the plans allow for a substantial expansion in capacity if the demand requires it.

On the short routes across the Dover Strait the future is complicated by the uncertainty surrounding the Channel Tunnel. Consideration is, however, being given to the modernisation of the Dover/Dunkerque train ferry service using multi-purpose ships which can carry freight in conventional railway wagons, containers and road haulage vehicles. In the event of the conventional railway wagon becoming obsolete these ships would be capable of continuing in service for the carriage of containers and road haulage vehicles.

3. By this means the British Railways continental freight services operated in conjunction with the European railways can be completely revitalised, and provide a substantial increase in capacity within a period of five years. The use of the most efficient method will, moreover, ensure improved end-to-end transits at economic rates, and the shipping component of the through-out system will serve the road haulage industry as well as the railways. The rate of progress will, however, depend to some extent upon the willingness of European countries—particularly France, Belgium, Holland and Germany—to adapt their railway systems to the new concept of movement in unit loads, and negotiations with this end in view are now being undertaken.

British Railways Board
10th November 1965

APPENDIX XII

Transfer of Containers Between Various Forms of Transport in Europe

1. The limiting factors to the free exchange of containers in Europe between all forms of transport lie in the international customs regulations and in the lack of necessary cranage or side loading equipment. The latter will be corrected by the pressure of demand, the former requires concerted international action in Europe, North America and progressively througout the world.

2. At present railway wagons and containers on wagons move fairly freely over European frontiers under international customs agreement, TIF. Under this the whole journey must be carried out on the same set of wheels, save for minor exceptions, no transfer being allowed.

3. A similar facility is available to road vehicles, known as Carnet TIR. This convention covers containers, but again only if the same set of wheels is used throughout the transit. Road vehicles can and do move over frontiers without benefit of TIR but delays are caused and in some cases bonding costs can be heavy.

4. This position has arisen because, in the past, European rail movement has been in wagons and British Railways' interest has been in the train-ferry services, again in wagons. By road, Carnet TIR was put together by European hauliers, who also had little or no interest in transfer. When Britain signed the Carnet TIR Convention this limitation was accepted because road hauliers were using wheeled vehicle "roll-on/roll-off" shipping services and thus were not interested in container movement and transfer.

5. With the inevitable movement away from the "roll-on/roll-off" rail and road ships to cheaper "lift-on/lift-off" container operations, this matter becomes important. Particularly will this be so as international fast container train services come into operation. For example, for a container transit from Manchester to Munich the movement methods might well be by rail Manchester to UK port, container ship UK to continental port, rail by container train to Frankfurt and road to destination in Munich. Under present regulations, such a movement would involve unnecessary frontier operations at a number of points and Customs clearance at Frankfurt, rather than at Munich.

6. In other words, such a transit would be clumsy, slower and more costly than is necessary, purely due to a lack of an international customs convention under which loaded containers can be sealed and bonded over frontiers irrespective of the transportation methods used in the overall transit. Such a convention should cover rail, road, ship, inland waterway, air and other transport methods as they are developed.

British Railways Board
11th November 1965

APPENDIX XIII

Problems and Possibilities for British Sbipowners in the Short Sea Trades

Introduction

1. This paper reviews the facilities provided or planned by shipowners to cater for exports to Europe and in particular for the movement of "unit loads" within this trade. It also examines the problems encountered by shipowners in providing these services.

2. For the purposes of this paper, services to Spain, Portugal and ports on the Mediterranean coast of Europe have not been taken into consideration and for this reason Europe within the context of this document can be defined as that part of the Continent served through ports from those of Scandinavia in the north to Bordeaux in the south.

3. In the knowledge that British Railways have undertaken to produce a parallel paper in regard to the services they provide, their services have not been brought within the scope of this paper. Furthermore, as the Chamber represents the interests of British shipping and does not have ready access to the plans of continental shipowners, other than those published in the press, no endeavour has been made to cover existing or potential services provided exclusively by foreign lines. However, to the extent that British and foreign lines operate joint services these have been included.

Existing Services

4. Twenty-eight British liner companies (excluding British Railways) currently operate services between thirty-five ports in the UK and over 100 ports on the Continent north of the Spanish frontier. Most of these services cater mainly for conventional liner general cargo—in the current idiom "break-bulk" cargo—but "unit-load" traffic whether on pallets or flats or in containers or tanks is also carried. Indeed in conjunction with such services most operators have for many years provided containers for the convenience of shippers. The General Steam Navigation Co. for example has available a fleet of 223 containers of which twenty-six are insulated. In this connection it is relevant to mention that in the experience of the lines shippers generally have been slow to recognise the advantages to them of throughout transport by container or other types of unit-load.

5. In addition to conventional services, the liner network referred to earlier includes a number of roll-on/roll-off ferry services and some routes catering mainly for "unit-load" traffic. Annex A provides details of the roll-on/roll-off ferries and this shows that at present three companies operate these services between four ports in the UK and three on the Continent.

6. Some of these roll-on/roll-off ferries also cater for "unit-load" traffic but other services dealing primarily with this type of business are listed in Annex B. This records that three companies operate "unit-load" vessels

between five ports in the UK and Rotterdam. It also registers the fact that two other companies operating in the Scandinavian trades have introduced into their services new vessels designed primarily for "unit-load" traffic.

Additional Services to be Introduced Within the Next Two Years

7. Annexes A and B also record additional services which are planned for introduction within the next two years. These include roll-on/roll-off routes to be operated by four companies between five ports in this country and four in Europe and five new "unit-load" services. In addition, more special vessels designed primarily for "unit-load" traffic will be introduced into certain services to Scandinavian countries.

8. It should be appreciated that the planning of these services involving the construction of vessels with an economic life of 20/25 years, and the expenditure of considerable capital, is not a simple matter. It is necessary to make broad assumptions concerning shippers' requirements and, as is indicated in the following paragraph, the extent to which shippers will favour containers, flats, pallets or some other form of unit loading is by no means certain. Even in terms of ship operating economics the debate continues concerning the varying merits of the various kinds of unitisation.

9. It follows that it is far from easy to give long-term forecasts of potential services not yet firmly planned or publicised, particularly insofar as such plans relate to new types of equipment or vessels. As an indication of the forward thinking of British shipowners however it can be said that consideration is being given to the possible development of Hovercraft, Westland SR.N4, although this apparently will not be available before 1968/9. This would be for cased cargo between the UK and the near Continent but at the moment there are several formidable snags concerning method of handling and through costs which have to be overcome before any decisions can be taken. Additionally, in this connection there is a scheme in being whereby principal independent shipowners, British, Dutch and German, operating between the UK and ports in Germany, Holland and Belgium, might adopt some form of integration thereby to develop jointly new methods of transportation across the North Sea. This would enable the partners to offer both UK exporters and importers a choice of door to door services. The scheme is only in the embryo stage although it does appear to offer the best means of giving adequate services as an alternative to those now operated.

Unit Loads

10. In the valuable paper prepared by the Board of Trade for the main committee entitled Unit Transport Services it was stated that "palletised unit transport operations have enough in common with containerised ones to be treated as one for the purpose of this paper", and subsequently the use of the word "container" conveys the impression that unit transport services can only be effective if linked with roll-on/roll-off vessels or special-

ised container ships. It is important in discussing this subject to use the terminology consistently because, although container services are growing and may be expected to expand in the years ahead, reference to the annexes to this present paper reveals that shipowners expect a steady growth in palletisation and other forms of unit loading. One of the companies in the trade has commented on the fact that the immense proportion of flats is in danger of being overlooked. In their experience, at the present time flats are more numerous than containers. Although containers are making strong headway in the view of this company, it will be some years at least before they will exceed the popularity and extensive use of flats.

11. In the same connection in Annex B to the Board of Trade paper, it is stated that it has been estimated "that 80 per cent of the general cargo imported into or exported from the UK is such that it could be transported in containers". It is not clear whether the word "containers" here is intended to have its limited meaning, or to be interpreted as a collective term synonymous with "unit-loads". It would also be interesting to establish the basis of this estimate which was used in a paper read to an ICHCA conference in October, 1964. It is not one to which shipowners can subscribe without further research.

Through Transport

12. In the Board of Trade paper, it is stated that "the basic concept of unit transport is that what a shipper requires for his goods is transport from one point to another". The paper further explains that "all forms of handling and particularly those which entail breaking the load en route are unwelcome occasions of expense and hazard which should be avoided so far as possible." It is clearly necessary to examine the extent to which through transport facilities of this kind are being and will be provided in the future.

13. The information set out earlier in this paper and amplified in the annexes shows the contribution that has been and is being made by British shipowners to provide these facilities or at least an important element in the overall transport service.

14. The network of services between the UK and the Continent provides shippers in the industrial areas on or adjacent to the coast with a through service virtually on the doorstep. This may be a fully unitised service or a conventional service on which unitised cargo can be shipped. Shippers elsewhere in the country may require to forward exports by internal transport for longer distances before they are loaded for the sea part of the movement. They have several choices open to them apart from the use of rail transport. Firstly, by employing a road haulage concern which may or may not have some association with one of the British shipping companies (or indeed with one of the continental companies whose exclusive services are not covered by this paper), they can either send their goods on a unit-load basis or throughout by road vehicle using the roll-on/roll-off ferry services. Secondly, in a number of cases they may arrange direct with a

shipping company for a through service to be provided. Thirdly, they may employ the services of a shipping and forwarding agent who will arrange the through movement for them.

15. With regard to the adequacy of the services provided or planned for introduction during the next year or two the experience of shipowners suggests that there is ample shipping space—both conventional "break-bulk" and unit-load facilities—readily available to meet the needs of the export trade. Indeed, the experience of shipowners indicates that existing facilities are underemployed and that there is no evidence of shippers finding any difficulty in getting their exports forwarded to the Continent. The following observation by one owner is typical:

> "In my opinion shipping facilities are adequate and the problem lies with manufacturers who are only beginning to become "container minded" and with continental users who are not even as advanced as we are in this country."

16. Just recently discussions took place at Geneva, under the auspices of the Economic Commission for Europe, on what was described as the inter-continental movement of containers. In the course of these discussions, which were primarily designed to reconcile the Customs and other statutory requirements governing the movement by inland transport in Europe, with those operating in the United States, it became quite evident that the road and rail interests in Europe and therefore presumably the cargo interests, are far from being geared up to receive and utilise the flood of containers forecast as coming from the United States during the next year or so.

Shipping Problems

17. The observations quoted above concerning the continental buyer being less unit-load minded than the British manufacturer lie at the heart of one of the problems faced by British shipowners in dealing with the question of increasing the use of unitisation. In many cases exports from this country are sold "ex-works" or "f.o.b." In neither case is the exporter directly concerned with the method of packaging or forwarding.

In this connection the following comment made by a British owner in the near continental trade is relevant:

> "Unit loads are at their most advantageous when the whole transit is performed as a unit—i.e. without intermediate unpacking. Therefore a good promotional feature would be to encourage British exporters to sell "delivered consignees premises". In these circumstances the throughout carrier has only to quote to and and deal with the exporter. Much of our international trade is bought and sold on f.o.b. or c.i.f. terms—hence two parties are concerned with both the financial and practical aspects of the throughout transit. Of course selling "ex-works UK" has similar advantages but then the UK exporter loses control of the carriage and, very likely, the country loses an invisible export by way of freight."

18. Although it is acknowledged that the development of inland clearance depots on lines that have now been agreed should improve the position in regard to customs formalities, shipowners in the trade feel that more could be done by HM Customs and Excise to facilitate the throughout movement of traffic to the Continent. In consequence of the recent discussion at Geneva under the auspices of the ECE referred to in paragraph 14, shipowners will shortly have an opportunity of detailing the customs problems that are felt to hinder the development of throughout container movement. If these could be overcome the provision of shipping services and, in consequence, through services for unit load business would be made easier. However, as mentioned previously in this paper there is no evidence that the provision of these services is lagging behind demand. Indeed with unused capacity on a number of services it is hoped that shippers will be encouraged to make greater use of unitisation.

Chamber of Shipping of the United Kingdom
21st December 1965

APPENDIX XIII

Annex A

APPENDIX XIII

Annex A

Unit Load Services to the Continent excluding those operated by British Railways and those provided exclusively by Foreign Shipping Companies

ROLL-ON/ROLL-OFF FERRY SERVICES (a)

COMPANIES	ROUTES	PRESENT FREQUENCY OF SERVICE	ADDITIONAL SERVICES WHICH WILL BE INTRODUCED WITHIN THE NEXT YEAR OR TWO (b)		
			ROUTES	FREQUENCY OF SERVICE	LIKELY DATE OF INTRODUCTION
Atlantic Steam Nav. Co. Ltd.	Tilbury/Antwerp Tilbury/Rotterdam Felixstowe/Rotterdam	5 times weekly Once weekly 4 times weekly	Felixstowe/Antwerp	3 times weekly	January, 1966
Ellerman's Wilson Line Ltd. jointly with two Swedish Companies	Nil	Nil	Hull/Gothenburg London/Gothenburg	3 times weekly Twice weekly	May, 1966 October, 1966

General Steam Nav. Co. jointly with a French Company (c)	Nil	Nil	Southampton/Le Havre	Not indicated but intention is to employ 2 vessels	Mid-67
North Sea Ferries (c)	Hull/Rotterdam	3 times weekly (will be increased to 6 times weekly from March, 1966)	—	—	—
Townsend Car Ferries Ltd. (c)	Dover/Calais	7 times weekly in winter. Up to 12 times *daily* in summer	Dover/Zeebrugge	7 times weekly in winter. Up to 3 times *daily* in summer	March, 1966

Notes: (a) a number of these services also cater for containers and other unit loads.
(b) one or two companies have other potential services in the planning stage. These include services from East Coast UK to France and from East Coast UK to Germany.
(c) These services cater for cars as well as for lorry traffic.

APPENDIX XIII

Annex B

Unit Load Services to the Continent excluding those operated by British Railways and those provided exclusively by foreign shipping companies

SERVICES OTHER THAN (a) ROLL-ON/ROLL-OFF FERRY SERVICES CATERING MAINLY FOR UNIT LOAD TRAFFIC (b)

COMPANIES	ROUTES	PRESENT FREQUENCY OF SERVICE	TYPE OF UNITS CARRIED	ADDITIONAL SERVICES WHICH WILL BE INTRODUCED WITHIN THE NEXT YEAR OR TWO			
				ROUTES	FREQUENCY OF SERVICE	TYPE OF UNITS CARRIED	LIKELY DATE OF INTRODUCTION
Associated Humber Lines	Hull/ Rotterdam	Twice weekly (will be increased as the trade warrants)	Containers and flats	—	—	—	—
Ellerman's Wilson Line	Hull/East Coast Sweden	One vessel in service is designed basically for container traffic	Containers but also conventional cargo	Hull and London to Sweden, Norway and Denmark	Four more vessels designed basically for container traffic on order	Containers basically	—
James Fisher & Sons	Felixstowe/ Rotterdam	5 times weekly	Containers, and other lifts including heavy lifts	Felixstowe to Scandinavian ports	As required	Containers	—

Geo. Gibson & Co. Ltd.	Leith and Dundee/ Rotterdam	Weekly (100 per cent unit loads whenever cargo permits)	Pallets Pre-slung loads and some containers	Leith and Grangemouth/ Amsterdam Leith/ Amsterdam Grangemouth/ Antwerp Grangemouth/ Rotterdam	Weekly Weekly Weekly Weekly	Pallets Pre-slung loads and some containers	These services will be converted to 100% unit loading in next few months
Tyne-Tees Steam Shipping Co. Ltd.	Tyne/ Rotterdam	Twice weekly	Flats, containers and bulk liquid tanks	—	—	—	—
United Baltic Corporation jointly with two Finnish lines	UK/Finland	New vessels introduced with special pallet decks, very wide hatches and modern fast-working cranes for lifts up to 15 tons.	Palletised cargo, other types of units and some containers	—	—	—	—

Notes: (a) a number of roll-on/roll-off services listed in Annex A also cater for containers and other unit loads.

(b) many other shipping services to and from continental ports cater for unit loads as well as conventional traffic. These include many services operated by the General Steam Navigation Company which operates a "Hinterland Container Service" with 223 owned containers. Also involved are services operated by the Bristol Steam Navigation Co., Currie Line, Ltd. and certain other services maintained by companies listed in this Annex.

APPENDIX XIV

Recommendations from British European Airways

The Post Office

1. The current limitations on package sizes for air parcel post are internationally agreed between more than one hundred countries.

The maximum weight agreed by the Universal Postal Union Convention is 44 lbs., although there are many exceptions imposing lower limits. The General Post Office impose a weight limit of 22 lbs. on all international and domestic destinations. The maximum length plus girth is six feet.

2. In order to provide a more comprehensive service to exporters BEA would propose raising the above maxima. We would like to see the weight limitation raised to say 73 lbs. (33 kgs.) with the maximum practicable permissible dimensions. Volumetric charges should be applied on consignments of low density. It would be logical for air parcel post to have volumetric charges on the same basis as those charges made for air cargo, (where consignments are charged on the basis of 1 kg. for each 427 cubic inches when the density is less than that).

3. Because of its numerous collection points, the Post Office has a unique possibility of offering a collection and forwarding function for small exporters. If it is felt that the proposed larger parcel sizes cannot be satisfactorily handled at all Post Offices then perhaps main offices in each town or district could be designated. This would make an air freight service widely available to exporters without any complication in procedures. The Post Office would not only offer aid in the form of ease of distribution to the small exporter but, by consolidating the smaller parcels before shipment by air, would simplify handling for the airline and help to reduce costs. In addition, the Post Office would have the possibility of making profits from the difference between the parcel rates which would be charged and the bulk rates paid to the airline.

4. In the meantime, the present air parcel service would offer considerable help to the export drive, if the Post Office could launch a full-scale, long-term marketing campaign to bring its advantages to the notice of small exporters.

Terms of Trade

5. More than 60% of British exports are quoted ex-works or f.o.b. leaving the method of transport to be chosen and organised by the importer. British exporters, therefore, put themselves at a sales disadvantage compared with local European manufacturers quoting prices for a delivered product. In order to match this competition British exporters should be encouraged by every means possible to quote for delivery to the consignee, or at very least c.i.f. This is a service which the importer expects as a customer's right. Quoting f.o.b. and splitting the responsibility for distribution between importer and exporter is not only most inconvenient

but also means that neither seller nor buyer is in possession of all the facts about costs to enable them to judge the most efficient method of distribution.

6. BEA believes that a general change in British methods of quoting would be a major factor in improving the marketing of British exports.

Customs Duties

7. In common with other European countries the UK raises its Customs duties on the c.i.f. value of the imported goods. As the cargo charges by air are almost invariably higher than those by surface, the exporter using the advantage of air cargo to reduce total distribution costs and shorten delivery times to enter, or increase his share of, foreign markets is unfairly penalised by having to pay a higher duty than his competitors who have used surface transport. This is a positive deterrent to the improvement of British export distribution methods and to the creation of a British spare parts service competitive with those of local manufacturers. Customs duties should be related to the value of goods and not the variations in transport rates. Exporters should be free to choose the method of transport most likely to win them the sale.

Cargo Facilities at London Airport

8. Existing cargo facilities at London (Heathrow) Airport are already heavily overburdened and are coping with far more cargo than ever was thought possible. Air cargo at London is currently increasing at about 25 per cent per annum and this sort of increase is forecast for many years to come. It is thus small wonder that the service offered to exporters by London (Heathrow) Airport sometimes leaves something to be desired.

9. It is of the utmost importance, if London is to be thought of as the air cargo centre and gateway to Europe, that the earliest possible date be met for the commencement of operations at the cargo terminals to be built in the south-west corner of the airport. It is imperative that external road access to the Cargo Terminal area and tunnel access between the cargo area and the Central Area should be provided in time for the new cargo terminals to go into full operation as soon as they are completed. Any further delays could lead to a serious check to our growing exports by air.

10. Between 1965/6 and 1968/9 it is expected that air cargo to be handled by existing facilities in the Central Area of London (Heathrow) will be nearly doubled. The British Airport Authority should be urged to give the airlines any assistance they may request at minimum cost to provide additional interim facilities.

Government Statistics

11. Complete statistics should be made available by the appropriate government departments, particularly on true origin and destination of exports, and these statistics should be freely available to carriers on a basis for the planning and development of transport services.

Provinces—Continent Services

12. As soon as they are seen to be economically viable BEA plans to provide direct all-cargo services from provincial points within the UK to the main industrial centres of Europe. The foundations of such a network have already been started with the introduction in spring 1965 of a direct all-cargo service from Manchester to Paris. Passenger aircraft providing considerable cargo capacity will offer in summer 1966 direct services from Birmingham and/or Glasgow and/or Manchester to Amsterdam, Barcelona, Brussels, Copenhagen, Dusseldorf, Palma, Paris and Zurich. The introduction of more direct all-cargo flights on other routes will depend on traffic from the provinces developing to the point where such flights would be economic. In the meantime BEA offers through cargo services including a through pallet and container service from Birmingham, Glasgow and Manchester to the Continent by transhipment at London Airport (Heathrow). In order to make this service fast and attractive to exporters and economic to the airline, it is important to remove all unnecessary restrictions and regulations on the transhipment procedure.

13. In particular, BEA is concerned to achieve the quickest and easiest facilities for 'topping-up' with load originating in London, pallets and containers containing cargo already cleared by Customs for export at provincial originating points. BEA acknowledges the ready help and cooperation already being given by HM Customs in this respect.

Traffic Peaks

14. One of the main air cargo problems, of both costs and efficiency, is that of the peaking of traffic. Traffic tends to move in greater tonnages towards the end of the working week and has very sharp peaks during the late evening of every weekday. This throws a heavy strain on the resources of shipper, agents and airline for comparatively short periods. For long periods during the day, roughly from mid-morning until late afternoon, cargo facilities, including labour, are under-utilised. If the traffic flow were evened out then considerably more cargo could be handled more efficiently and at relatively little extra cost.

British European Airways
March 1966

APPENDIX XV

Customs Procedures

1. The Working Party had received a number of reports that exports were being delayed and the total UK—Continent and return transport flow impeded, by delays in clearance of imports through the Customs. Reports were also received that these delays were greater than those encountered in clearing goods through the Customs in a number of countries on the Continent. It was suggested that the concept of through transport was demanding a completely new consideration of existing customs procedures which had been established under different circumstances.

2. This problem has become more serious as a result of the increasing flow of unit loads; whereas ships and aircraft do not have to await customs clearance of their cargoes before being 'turned round' containers and trailers do ; these containers and trailers represent heavy capital investment so that delays greatly increase the total cost of the transport movement ; furthermore, exporters may be kept waiting for equipment to become available.

3. Representatives of HM Customs and Excise were approached and expressed their willingness to meet the Working Party to discuss possible ways in which customs clearance might be expedited ; they pointed out that the Customs themselves were anxious to remove causes of delays at the ports, although they considered that many of the delays were not their fault. Accordingly a meeting was held between the Working Party and representatives of HM Customs and Excise and the following topics were discussed.

Delays in Clearance at the Ports

4. Five days is approximately the average time taken for customs clearance at the Port of London ; one day may be taken up with clearing entry documents, three for the production of the goods and relevant documents at the dock by the importer or his agent, and perhaps one day for the physical examination if required. The time is generally shorter at smaller ports but still longer than in many European ports.

5. Some of the reasons for these delays are as follows :

(a) The C105 (the declaration of the nature of the trading relationship between the importer and supplier), which has to be signed by the importer, must be presented to the Customs in advance of clearance. This can be done before the goods arrive. However, with the increasing speed of the movement of imports, goods often arrive before their documentation. The C105 has now been dispensed with for consignments worth less than £100 and, for those of larger value, may on occasions be accepted after clearance on receipt of an interim declaration by e.g. telex.

(b) Duty must be paid before imports can be removed but this delay is aggravated by the tendency of importers and agents to arrive to make payment mainly at the same time in the late afternoon.

(c) The division of HM Customs into clerical and landing staff may result in delays, but is aimed at economy and efficiency of staff.

(d) Imports frequently arrive without supporting documents, partly because with the increasing speed of movement they now often get ahead of the mails and partly because goods are sometimes despatched before the relevant customs papers are made out.

(e) Customs find that approximately one import in three arrives with incomplete or inaccurate documents. Customs now overlook minor mistakes or inaccuracies but all kinds of mistakes occur in regard to the description and classification of goods, as well as miscalculations of duty and exchange rates. The complexity of our tariff system adds to the number of mistakes.

(f) Agents are sometimes slow to clear imports and to remove them when cleared: the ports can be a relatively inexpensive place of storage, despite the demurrage charged, and alleged delays in customs clearance can be used to cover agents' inefficiency.

Possible Changes in Customs Procedures

6. A number of possible changes, designed to reduce delays, were discussed.

(a) HM Customs are studying a scheme known as "season ticket entry", a simplified documentation for large importers of standard goods whose tariff liability can be agreed in advance. Customs have agreed that it is not essential for every importer to follow the same procedure, though favouritism must not be shown between one firm and another. The extension of "triplicate entry" is also under consideration.

(b) To reduce the time taken when separate payments have to be made to cover duty on each consignment of goods. Customs might arrange to accept a standing deposit at the Long Room at each port used. There are difficulties in further centralizing the present deposit arrangements for imported goods, though centralized accounting is in operation for some very large traders for goods delivered from bond. Groupage loads for a number of different importers are an even more complicated problem.

(c) The present law does not permit credit for duty payment and if, for instance, a monthly settlement were arranged, the delay in payment would result in a loss of revenue which would have to be made up by one means or another. Nevertheless agents may not be prepared to provide adequate deposits at all points of entry and consideration might be given to allowing credit to carriers and agents guaranteed by their banks. The income tax law allows credit; large importers might make their own regular returns of duty payable in the same way as income tax is paid, leaving the Customs the right to check and audit their books. These problems are partly met on the Continent in the case of agents, by permitting only licensed agents to operate who collect from their customers and pay duties in arrears. The Working Party consider that Customs should be asked to study urgently whether the law should be altered to make some system of credit payment in settlement of duty permissible.

(d) In view of the frequent miscalculations by importers of duty and exchange rates, Customs have agreed to look into the suggestion that they should undertake these calculations themselves by machine equipment on the basis of information supplied by the importer: they have to check the calculations in any case, and it might be economical for them to make them in the first instance, but radical changes in documentation would be needed and importers would have to be able to query the Customs' calculations.

(e) There is a need for a detailed examination of the possibilities of further mechanization and of the uses of computers: but this would take some time.

(f) With the increasing use of grouped loads more bonded shed facilities are needed. This need may be met by the development of Inland Clearance Depots.

(g) Telex is already accepted for interim documents but its use might be developed further, particularly in connection with corrections to documents.

(h) Customs might make more systematic arrangements to keep themselves regularly informed about methods used in other countries: valuable study might be made in particular of the ports of Genoa and Bremen, and the systems in use in the United States, Canada and Sweden.

(i) Customs have publicized the new Long Room at Tilbury, where entry papers can be cleared within four hours, as compared with twenty-four hours in London. Agents are not, however, using it adequately and the Institute of Shipping and Forwarding Agents and the British Shippers' Council might encourage their members to use Tilbury more.

(j) Customs have a monthly schedule procedure for drawback, without upper limit, for regular exporters; Customs are trying to encourage more firms to use this system, and the EDC might help in this.

Other Topics Discussed

7. Other factors which might expedite clearance were considered, among them:

(a) *The Transit Shed Register.* This is a procedure designed for the speedy clearance of small parcels of samples and gifts at airports, and now extended to commercial freight of low value and duty. A further extension to goods of higher value is beginning to overload the system and the procedure appears to have reached the limit of its usefulness. It is not considered suitable for use at ports or inland clearance depots.

(b) *"Topping Up".* The restrictions on the topping-up of air-cargoes passing on pallets and in containers from the provinces through London to the Continent no longer appear to present a problem.

(c) *Customs Hours.* Customs officers are available to clear cargoes at all times when the docks are working; normally 8 a.m.—5 p.m. Monday to Friday. They can normally be provided by arrangement and payment outside the hours when Customs attendance is provided free, and there seems to be sufficient flexibility in these arrangements.

(d) *Long Rooms.* It would be difficult to arrange for importers and agents to present Customs documents at a Long Room in the UK other than the Long Room at the port of importation, since under present practice the landing officer must have the relevant documents for the physical examination of goods.

(e) *Proportion of Imports Opened and Examined.* Customs have under consideration the question of the best sampling methods for physical examination, and whether the proportion of goods examined could be reduced, although it is already small. A mathematical investigation of the results of taking samples of various sizes might be valuable; but Customs officers exercise a good deal of discretion and judgement and this may be better than a system determined entirely by random sampling.

(f) *Inland Clearance Depots.* The development of ICDs has been slow, not through the fault of the Customs, and only one scheme (Perry Barr) is awaiting approval (with the exception of the railway centres). The interport removal scheme, whereby goods are examined at a port other than that at which they arrive, is something of a substitute but would not be satisfactory for the long term. Further consideration needs to be given to the machinery for deciding the location of the depots.

(g) *Clearance on Traders' Premises.* On the Continent this is sometimes arranged for large importers who pay the extra cost. In the UK the problem is one of staffing, though where Customs officers are already in full-time attendance at a firm, for other customs and excise work, Customs agreed that it would be possible for imports to be cleared also. Customs have, however, recently been reviewing the practice of clearance at traders' premises in certain specialised fields of duty and have found that this does not always reduce the delays. They consider that as a general rule clearance is best carried out at ports or ICDs, but they are keeping the situation under review. However, the Working Party suggest that further consideration should be given as to whether it might not be in the long term economic interest of the country for the Treasury to make an increase in Customs establishment possible, so that clearance at traders' premises could be extended, particularly if the extra costs were covered by the traders.

National Economic Development Office
April 1966

APPENDIX XVI

Documentation in International Trade

A. Summary and Conclusions

1. Documents raised for goods moving in international trade are means, not ends. Once it has been determined or agreed what facts are reasonably necessary, and by and to whom those facts should be declared or certified, the relevant documents should be few in number, simple in content, standardised in layout and processed efficiently by traders, insurers, carriers, public authorities and the agents of any of these. In any individual instance, the common object should be to achieve that combination of economy, speed and quality of service in the movement of goods from seller to buyer which best reflects the demands of all those concerned; in this aim, it is necessary to take due account, but no more, of the public authorities' need to collect taxes, returns and statistics and to do so economically.

2. The present Appendix sets out a number of lines along which that general aim is already being pursued and goes on to suggest lines along which it might—or indeed should—be further pursued. The consequent action will concern, in one way or another, all those who issue, fill in or receive documents. The immediate next step, therefore, would seem to be for a co-ordinating body to call a meeting of all these interests. At that meeting, representatives of organisations of traders and shippers, of insurers, of freight and forwarding agents, of private and nationalised carriers by road, rail, sea and air, of port authorities, of the National Ports Council, of the Board of Trade, of the Customs and Excise and perhaps of other Government Departments as well would discuss a possible basis or bases on which these bodies could, jointly or severally, make themselves responsible for examining and then implementing the recommendations of the Working Party on Through Transport to Europe which relate to documentation or to related topics of organisation, policy or procedure—so as to avoid overlapping of effort. In this context, one important procedural matter for that meeting to consider would be the role or roles which it would envisage for the existing Joint Liaison Committee on Documents (JLCD), in relation to the wide range of recommendations set out below, some of which concern topics fairly far removed from those on which that Committee has hitherto been concentrating.

3. More specifically, the recommendations of the Working Party are:

(i) The Economic Development Committee for the Movement of Exports should consider inviting representatives of traders, shippers, insurers, freight and forwarding agents, carriers, port and other public authorities to meet and discuss which of their organisations should make themselves responsible, jointly or severally, for pursuing particular recommendations among the following.

(ii) Reviews should be undertaken of the numbers of different documents now in use (para. 8), as regards both
  (a) "private" documents used within and between firms of exporters, importers and their shipping and forwarding agents; and
  (b) "public" documents raised for or by insurers, carriers, port or other public authorities.

(iii) Reviews should be undertaken of the requirements of carriers, port and public authorities and others for
  (a) multiple copies of broadly similar documents (para. 9); and
  (b) certificates, authentications and translations of documents (para. 9).

(iv) As regards contents,
  (a) all documents should be kept as brief as possible (para. 10); and
  (b) all documents should be kept as simple as possible (para. 11) ;
  in particular,
  (c) sub-divisions of Brussels nomenclature headings, for import duty purposes, should be reduced to a minimum (para. 11);
  (d) definitions, nomenclatures and classifications used for charging and other purposes by port authorities, carriers, and customs should be made more similar to one another, and perhaps also simpler (para. 12); and
  (e) any weights and measurements required to be shown should be stated in metric units, as soon as convenient (para. 13).

(v) Increased attention should be paid to clear and simple labelling, with particular prominence given to the port and/or town of destination (para. 14).

(vi) As regards greater standardisation and mutual alignment of trade documents,
  (a) the recent moves in this field should be assisted and generally encouraged to proceed as far and as fast as practicable (para. 15);
  in particular,
  (b) shipping companies and others should assist the current efforts of the JLCD to see made available, as soon as convenient, those of the aligned "public" documents recently agreed which have not yet been issued (para. 16);
  (c) exporters should be specifically invited to examine the practical details of mechanised preparation of these standardised "public" documents; and of aligning with them at least a proportion of their own "internal" and other "private" documents to which export transactions give rise (para. 17);

(d) the extension of the agreed range of aligned UK "public" documents should continue to be pressed forward in the JLCD by all parties represented there (para. 18); and

(e) internationally, a similar impetus should be maintained in the Geneva discussions of the UN Economic Commission for Europe (para. 19) and the European Free Trade Area (para. 22), as well as in the Brussels discussions of the Customs Co-operation Council (para. 23).

(vii) The following aspects of office mechanisation should be borne in mind, in addition to those already mentioned in recommendation (vi). (c):

(a) form design should pay full regard to the needs and potentialities of modern office machines; in particular, the need for the continued inclusion of lengthy notes, conditions and declarations should be urgently reviewed—especially where these at present appear on the back of a form (para. 24); and

(b) the use of telex and other modern methods of telecommunications should be facilitated and encouraged, e.g. in relation to corrections to ships' manifests (para. 25).

(viii) Mail services in general and those between the continent and the provinces in particular should be operated at the highest practicable pitch of efficiency (para. 26).

(ix) In order to avoid delays which might otherwise arise from present customs procedures,

(a) wider use should be made of the facilities for effecting customs "entry" before the arrival of the goods, particularly if arrangements could be made for the actual name of the carrying vessel to be supplied to Customs at a subsequent stage (para. 28);

(b) documentary customs requirements for surface traffic in general (and for TIR and TIF through consignments by road and by rail in particular) should be confined to those applicable to air traffics in corresponding circumstances (para. 28);

(c) TIR and TIF customs declarations for through consignments (by road and by rail) should include—or should be accompanied by—sufficiently full particulars to minimise the need for their physical examination at customs offices passed en route (para. 29); and

(d) consignments in general (and TIR and TIF through consignments by road and by rail in particular) should be accompanied—whenever practicable—by all those documents originating from the exporter which will be required for clearance at the customs office of final destination, in all those instances in which customs entry has not been effected in advance of the arrival of the goods in accordance with recommendation (ix)(a) (para. 30).

B. General

4. The National Economic Development Office has received a great deal of help, in preparing this Appendix, from a considerable number of men with detailed practical experience of documentation problems in exporting, importing, forwarding agents' and road haulage firms and organisations, as well as in British Rail, shipping bodies, airlines, Customs and Excise, the Board of Trade, the Ministry of Transport and the Treasury. This valuable assistance is gratefully acknowledged.

5. Basically, the amount and content of the documentation called for in connection with any particular international trade transaction is a dependent, not an independent, variable. It is determined by:

(a) the nature and object of the underlying commercial transaction, including the particular type of service offered by the carrier, forwarding agent etc. concerned;

(b) the aims and objects of government policy, in the fiscal and external economic fields in particular; and

(c) the nature and form of the internal organisation of (and indeed of the relationship between) the various bodies by and for which documents are being raised.

For instance, through transport to Europe of a container carried on a trailer requires a documentation different from that of a container taken from London to Rotterdam in the hold of short-sea liner. Or, for example, different port authorities carry out differing ranges of functions, and this causes their documentation requirements to differ. Or again, consignments sold on a "f.o.b.", "c.i.f." or "delivered" basis will give rise to different amounts of documentation so far as the exporter is concerned (though the total documentation, required of all parties taken together, may well be nearly unchanged).

6. In the main, the present Appendix examines the problem of documentation only against the background of existing institutions, i.e. on the basis of the existing division of labour betwen them, of their internal organisation as it is today and of their data requirements as they are (and not as they might be). Nevertheless, certain changes in organisation, policies and procedures are put forward for discussion where their adoption would appear to have consequential effects in the form of simpler documentation requirements. Credit should in this context, be given for what has already been achieved in recent years in improving arrangements. For example, both the UK Customs and Exchange Control have abolished certain form-filling and associated formalities for low-value export consignments; simplified alternative procedures for claiming drawback of UK Customs duty on re-exports are now, in principle, available; the re-importation formalities for temporarily exported motor vehicles and trailers have been considerably eased; and streamlined UK Customs procedures have been developed for airport transit sheds. However, not all problems have as yet been solved.

7. The aim remains to combine economy with speed and quality of service in the movement of goods, in whatever way best meets the demands of the market. In addition, the public authorities' needs to collect taxes, returns and statistics and to do so economically have to be taken into account—though economy in (say) customs administration cannot, of course, be given absolute priority over all the other considerations just mentioned.

C. The Number of Documents Raised

(a) *The Number of Different Forms*

8. The annexed list of 50 distinct steps in documentation for export sales gives food for thought. Why are some documents called for by certain countries only, or for certain forms of transport only, or in certain firms only? As a first step, traders and shippers might consider having compiled (through particular trade associations, national horizontal organisations or the International Chamber of Commerce) model lists of "private" documents, i.e. documents for use exclusively within and between firms of manufacturing or other exporters, of importers and of forwarding agents. Different trades are likely to have differing standard requirements ; but the setting of such standards may well pave the way for significant savings in stationery and other documentation costs. A similar study of the continued need for all the different and separate "public" documents being prepared today for insurers, carriers, port and other public authorities seems equally indicated. Indeed, moves in this direction have already been mooted at a recent Geneva meeting of the parties to the General Agreement on Tariffs and Trade (GATT). As regards work along these lines in the UK, both these studies should be undertaken in consultation with the Joint Liaison Committee on Documents Used in the International Carriage of Goods (JLCD), established by the Board of Trade in 1962, which has recently been concentrating on the valuable work of standardising the layout of many "public" documents*. Separate, smaller bodies, however, might perhaps be more appropriate for the actual conduct of one or both these studies. In any event, neither railway nor road carriers are at present directly represented on the JLCD.

(b) *The Number of Copies Required of a Given Form*

9. Substantial numbers of copies of identical or broadly similar documents are not infrequently called for. (So far as public authorities' requirements are concerned, the most voluminous requirements are admittedly found outside rather than in Europe.) Requirements differ also as to the extent to which the authorities in importing countries require documents to be certified or authenticated (e.g. by a consular representative of the importing country, stationed in the exporting country) or to be expressed in the importer's language. On occasion, substantial fines are imposed

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* JLCD Report on "Simpler Export Documents", published by the Board of Trade, London, 1965. (The impetus for work on the standardisation of trade documents originated in Sweden in the middle 1950's. The UN Economic Commission for Europe among other bodies is now active in this field.)

H

merely technical infringements of these requirements. There would seem to be scope for international discussions aimed at the removal of such obstacles to the freer flow of trade.

D. The Contents of The Required Documents

(a) *Details*

10. There is a natural temptation, in drawing up a document, to design it so as to obtain, in *all* instances, certain information which is essential in only *some* of those cases. Those who have recently been working to standardise trade documents on a European basis have valiantly sought to resist this temptation and to keep down to a minimum the information to be supplied on the new forms.

(b) *Simplicity*

11. However, even a short document can be far from simple to complete. One particular source of difficulty has been found to lie in the considerable differences in commodity classifications employed in different contexts. The Customs Co-operation Council have done valuable work in this field by drawing up the detailed "Brussels nomenclature", now adopted by many national customs administrations. The progress thus achieved is not however quite so great as might at first sight appear, since governments remain free—and indeed must remain free—to charge different rates of import duty on different sub-groups of a single item in the Brussels nomenclature. The extent to which governments feel obliged to resort to this practice should be reduced to a minimum: for then an invoice giving the Brussels description and/or code number, used for the goods in the exporting country, would be likely to contain also all the commodity details needed by the customs in the importing country.

12. Factors other than those relevant to customs often enter into the charging classifications of carriers, port authorities and insurers—e.g. loadability (weight in relation to volume, and/or length in relation to width and depth), combustibility and breakability. Yet the rates they charge may also be affected by the value of the goods (per ton, cwt. or lb.), just as high-value articles can be subject to a different rate of import duty from otherwise similar low-value articles. To some extent, differences in classifications no doubt came into existence because different classifiers proceeded independently, rather than because their respective needs were irreconcilable. It would therefore seem useful to hold a series of discussions, trade by trade, in order to explore the extent to which different definitions, nomenclatures and statistical and charging classifications of commodities, now in use, might be made more similar to one another and indeed perhaps also simpler, so as to reduce documentation costs and other administrative expenses. As regards carriers, liner shipping companies carrying containers between the UK and Scandinavia have for example quite recently decided to abandon altogether any commodity classification of the contents, for charging purposes. Similarly, as regards port authorities, London has recently been able to simplify its charging system, with consequent benefit to all parties.

Indeed the documentation benefits of replacing a complex by a simpler charging system should be prominently borne in mind whenever rates of charge are under review.

(c) *Metrication*

13. The general adoption of metric weights and measurements in European and North American trade documents should be hastened : the way in which the trim of an aircraft can be upset when a weight of 2000 lb. (=1 short ton) is mistaken for 2000 kg (=2 metric tons) represents perhaps the most striking example of the disadvantages of the present arrangements ; in addition, metric weights take up less space on a form than tons, cwt., qrs. and lb.

(d) *Labelling*

14. One group of documents above all which need to be clear and simple are the labels on the cartons, packing cases etc. Apart from the identifying marks (including those indicating the number of packing cases etc. in the consignment*), especial prominence should be given to the port and/or town of destination, on the label. These particulars have normally to be looked at many more times than the consignee's or consignor's exact name and address, or than the description of the contents. It is understood that the question of distinctive labels for export consignments has recently been under study in another forum.

E. The Standardisation and Alignment of Documents

(a) *General*

15. Tribute has already been paid, in passing, to the JLCD and to the United Nations Economic Commission for Europe (ECE) at Geneva for their work in preparing guides to the production of standardised trade documents, exactly aligned with one another : on these, corresponding data always appear in strictly corresponding places, so that an exporter can prepare a whole host of (uniformly sized) different documents at one "go", either by the selective reproduction of different parts of a "master" document or, even more simply perhaps in some instances, by using a ball-point pen and interleaved sheets of carbon paper between the different forms. The likely extension of this principle of alignment of forms, from those illustrated in "Simpler Export Documents" to a further range of export forms, was reported to a recent meeting of the JLCD. Not only bills of lading, customs specifications and exchange control forms for exports, shipping notes, port and dock rates bills, certificates of origin and certificates of insurance, but also drawback shipping bills, certain other customs export forms, Commonwealth and other certificates of value and of origin, international railway and road haulage consignment notes may thus form part of the aligned series of documents before long. These developments are to

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* e.g. "No. 2 of 7".

be welcomed and should be assisted and generally encouraged to proceed as far and as fast as practicable. Beyond this, what should be the main lines of further action in this field?

(b) *Tasks at Home*

16. Most of the UK documents illustrated in the JLCD Report on "Simpler Export Documents" are now available. About 40 British liner shipping companies have already gone over, in principle at any rate, to the new A4-size bill of lading. A number of shipowners however have still to produce revised versions of their bills of lading, and some of them may have a certain amount of difficulty in getting their documents designed (and centred on the paper) with the full degree of accuracy required. "Simpler Export Documents" records the recommended layout details both in inches and decimals and in millimetres and decimals. In order to minimise the risk of misalignment with continental forms, preference might in practice be accorded to the metric formulation of the agreed dimensions. A central reference point might be organised, in order to assist shipowners (and perhaps also manufacturing stationers who sell unheaded Bills of Lading etc.) in producing as soon as possible the remaining agreed standard documents, on the basis of the agreed standard instructions in "Simpler Export Documents". Indeed, the best procedure might be to go even one step further and to devise and distribute standard plates for printers, which might then virtually eliminate the risk of differences in format between supposedly aligned documents.

17. Publicity for the new aligned series has already been undertaken among exporters. Their attention should, at the present stage, perhaps be drawn to two aspects in particular. Now that a fairly comprehensive range of "public" documents (i.e. of documents which fall to be prepared by an exporter, not so much for his forwarding agent or for the importer, as for third parties) is available in the new layout, exporters should be specifically invited to consider

(a) whether to install any additional office machines in order to realise the full economies obtainable from the standardised layout; and

(b) whether to redesign at least a proportion of their "internal" and other "private" documents, such as invoices, notifications to forwarding agents, road hauliers etc., so that these too can be produced, at minimum cost, on the same machines as the aligned "public" documents illustrated in "Simpler Export Documents". (Some of these "private" documents might be produced from the same typed "master" as the public documents; others from a separate "master". The first "master" could be used in producing certain portions of the second without re-typing.)

The JLCD, in its published report, has drawn attention to the possibilities of such integration of the design of "public" and "private" documents. The precise degree to which any detailed work in this field should be carried out under actual JLCD auspices or by a smaller body might be a matter for discussion. In the first place at any rate, the extent to which such integration would be useful should be studied with individual trade associations, so as to ensure full allowance being made for the special requirements of different industries.

18. At the same time, efforts should continue to be pressed forward to extend the range of aligned UK "public" documents to, for instance, the additional customs documents mentioned in para. 15, applications for special stowage etc.

(c) *International Tasks*

19. At the international level, it will be desirable to maintain a similar impetus and to seek to widen the scope of the work in the ECE discussions at Geneva, if only for the following reasons :

(a) International railway and road consignment notes have been standardised, on their own patterns, for a number of years. For all carriers transporting goods which have originated in many different countries, international standardisation of such documents facilitates operations.

(b) International alignment of import documents with the new standard for export documents will increasingly enable exporters to produce both at the same time, in as far as language and translation problems can be avoided or overcome. An exporter offering such a "documentation service" with his goods may find it easier to sell them in the face of local competition. Even if the UK had to offer reciprocity and to adopt the same standard layout for its own import documents, this would seem to be a price worth paying in the interests of our export trade.

(c) Machines are now being developed to read not only, like cheque sorting machines, magnetic ink characters in special script but also ordinary typed characters. The scope for the use of these machines will be widened in as far as trade documents have been standardised internationally.

The work of the ECE in the field of documentation has recently been concentrated on standardisation aspects, covering (broadly speaking) the range of documents mentioned in para. 15 of this Appendix. Opportunities will arise from time to time to extend that range. For example, the existing ECE "TIR" and "TIF" customs conventions provide facilities for the international through movement of sealed-in (containerised or other) goods which are carried from the customs office of origin to that of destination on *one and the same* road vehicle or rail vehicle. ("Vehicles" include trailers.) As mentioned in paras. 74 to 77 of the main report, negotiations are currently in hand which may lead to an extension of the benefits of these conventions to containers carried, say, on a railway wagon, in the hold of a container ship *and* on a road trailer in the course of a single journey. At that stage, or perhaps even earlier, consideration should be given to aligning the existing TIR and TIF customs declaration forms or their successors with the standard layout which ECE is about to promulgate.

20. There is however also a US standard layout, illustrated in the Department of Commerce publication on the "Standard Export Packet" (of forms). It is therefore as well to realise that the eventual alignment of European and United States standards with one another and the addition of further "public" and "private" documents to the two series is likely to call for amendments in both of them, say five to ten years from now.

21. The layout adopted for international air waybills (or air consignment notes) by the International Air Transport Association (IATA) admittedly differs from both the existing European and US standards but is currently being revised, in order to make it more readily usable in conjunction with automatic data processing machines. The concept here of an internationally standardised multiple set of carriers' internal plus "public" documents is basically the same as that underlying the ECE discussions and, in a useful and labour-saving (even if not perfect) way, the IATA International Air Waybill perhaps carries that concept somewhat further in certain directions than the existing arrangements for standardising surface shipping documents do. Thus, it includes

(a) three originals, as required by the 1929 Warsaw International Convention on Carriage by Air, for the consignor, the issuing airline and the consignee respectively;

(b) nine copies, viz. one "departure copy", one for the sales agent, one "invoice copy" to accompany the statement of airline charges when rendered, four for the operational records of successive carrying airlines, one "inbound clearance" copy (originally intended to assist customs and the forwarding agent, who may often be the last carrier himself, to agree the amount of duty payable) and one delivery receipt; and

(c) eleven carbons interleaved between the twelve documents.

This list illustrates the general aim of standardisation, which should be the completion, at one "go", of a single set of aligned forms, giving information in the detail and language required (by public authorities, carriers and others all along the route of travel) and aiming to contain sufficient copies to reduce to a minimum the need for further documents to be raised en route.

22. Another international forum in which the standardisation of documents is currently under discussion is the European Free Trade Area (EFTA). Here, consideration is at present concentrated on aligning EFTA declarations and certificates of origin with the new ECE standard layouts.

23. Finally, the international standardisation of "public" import documents other than declarations and certificates of origin is under consideration by the Customs Co-operation Council at Brussels. It is to be hoped that this work too will be pushed forward as rapidly as possible, in consultation with the representatives of those who have to fill in the documents, and that the resulting requirements will be such as to enable these forms to fit in with the standard layout on A4-size stationery that is

about to be recommended from Geneva for export documents.* The standardisation of the postal customs declaration has already been agreed on this basis. There will, in any event, be pressure in the UK and other EFTA and Common Market countries to simplify inward customs formalities, as and when protective import duties on industrial goods moving within each of these areas are abolished on 1st January, 1967, and this may well provide a good opportunity for the adoption of simple import procedures, following a uniform pattern in different countries in as far as their differing circumstances permit.

F. Documents for the Machine Age

(a) *Form Design*

24. Reference has already been made to both the increased scope which the standardisation of trade documents can give to the use of office machines and the need to design those documents, from the outset, with an eye to the mechanisation of form-filling and analysis, if this process is to yield all the economies of which it is capable. One particular difficulty arises in this context, over the frequent presence of printed notes or conditions on the backs of forms. This prevents those documents from being produced or copied by dyeline, electrostatic or other similar methods, in a single run together with the relevant information to be entered on them. The government departments concerned are therefore now considering the legal implications of omitting the notes on the backs of the two forms reproduced in Appendices 9B and 10B of "Simpler Export Forms" (export specification and exchange control forms). A similar problem arises on shipping bills of lading, air waybills and international railway and road consignment notes. Another difficulty is that scarce space on the front (or back) of a form may be taken up with lengthy signed declarations purporting to certify such matters of fact and of law as, for instance, that the goods have been described correctly, packed adequately and marked and labelled in accordance with the law. Or again, space may at present be set aside on some forms for giving certain quantities not merely in figures but also in words. Those responsible for the design of forms should therefore be invited to set out the extent of these practices, their intended aims, their actual legal effects in different countries, and the changes in national and international law and any other measures that would have to be introduced to enable really simple one-side-of-the-paper-only-documents to be substituted. Now that aligned forms have arrived, these questions have acquired a considerable urgency.

(b) *Telecommunications*

25. The immediately preceding paragraph has mentioned the possibility of reproducing blank forms and of entering data on them on one and the

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* This is not a foregone conclusion: customs classifications for imports tend, as will have been seen from para. 11, to require more detail (i.e. to be more finely sub-divided) than those for exports; import forms will have to record the rate and/or amount of any import duty payable, etc.

same run of a machine. Modern data transmission methods can also produce additional facsimile copies of any completed document hundreds or thousands of miles away within minutes. While such methods are expensive, their availability for rapid communication, e.g. between exporter and importer, or between a customs Long Room (where imported goods are "entered" and duty is paid) and the quay (where the goods may be awaiting physical examination and clearance), should not be overlooked. The significantly cheaper telex (teleprinter) facilities, which–in principle–are no slower, should similarly be employed whenever they offer net advantages, and customs and other regulations and practices should be examined with a view to removing any unintended obstacles to the use of the telex system or even the telephone which may derive from now obsolescent aspects of those rules. For instance, it might be a significant easement of formalities in the cross-channel and short-sea trades if customs were prepared, as a normal routine, to accept additions and corrections to ships' manifests sent by telex in order to overtake the vessel while she is at sea. More generally, detailed guidance from the central customs authorities could help to spread among individual collectors of customs the best practices concerning the acceptability (or otherwise) of telex documents for their purposes.

(c) *Mail Services*

26. Of course, no one would wish to paint a picture of a world in which every single clerical process has been mechanised : in many instances, even the expense of a telex message could be avoided if the mails were faster. Indeed, the letter post will continue to be indispensable for many purposes. All reasonable efforts should therefore be made to speed the transit and delivery of postal business correspondence in general and to bring the international letter service to the highest practicable pitch of efficiency, particularly as regards communications between the continent and the provinces.

G. Documentation Aspects of Customs Control

27. Three customs requirements have been mentioned as especially liable to slow down international through consignments and so to lock up expensive capital and to raise the costs of carriage and insurance generally :

(a) the need for customs to be given certain broad details concerning the description and value of sealed-in goods which *either* are crossing a country in transit (from one frontier to another) *or* are on their way from the point of arrival in a country to another point in the same country, at which customs "entry", payment of duty and clearance is to take place ;

(b) the need for *actual importers* and not merely their forwarding agents to complete a customs declaration certifying the basis of valuation of the goods (Form C105 in the UK, similar form in Sweden), for all substantial consignments liable to ad valorem duty, normally *before* "entry" takes place ; and

(c) the need for customs "entry" formalities to be completed and duty paid *before* the goods can be cleared (with or without physical examination) by a customs offier.

The merits of these requirements are beyond the ambit of the present Appendix. Suffice it to say that the garments for completion of the certificate of the basis of valuation, mentioned at (b), by the importer himself rather than by his forwarding agent include the high average level of ad valorem duty in the countries concerned ; the importance attached by them to avoiding evasion ; the limited extent of legal liability placed, in the countries concerned, on any agents who negligently make false statements ; and the relative absence or expense of customs control after importation, in the countries in question. But what is fully relevant here is the way in which, in spite of the requirements mentioned immediately above, transit times could perhaps be reduced by improved documentation procedures.

28. At UK airports, three factors among others appear to have eased the situation :

(a) the availability, on the spot, of the carrier's clerical employees to act as forwarding agents ;

(b) the adoption of transit shed register procedure in many instances and of "triplicate entry" procedure in a substantial proportion of others ; and

(c) the fact that both air waybills and invoices normally arrive together with the goods and provide, between them, evidence of description and value which is regarded as sufficiently detailed to support the requisite customs declarations.

The position at seaports and perhaps land frontiers seems to be more complicated. In principle, delay to goods arriving by *any* means of transport is best avoided, under the present procedure referred to in para. 27(c), by "entering" them to customs in, say, the four days immediately preceding their arrival, ideally on the basis of an invoice but otherwise on the basis at least of a purchase contract and of telex advice of dispatch. One reason why this procedure, of "entry" in advance of the arrival of the goods, is not followed as often as perhaps it should may be that, in countries such as the UK, the "entry" has to state the name of the actual vessel. In the case of a cross-channel carrier employing several ships, the name of the actual vessel used will rarely be known to the exporter or even to his shipping agent, at the time when the invoice is first raised. A procedure should therefore be devised under which it suffices for the name of the carrying vessel to be stated at the time of clearance of the goods. For, whenever "entry" cannot be effected in advance of arrival, delay may arise from at least five sources. *The first three of these sources of delay* are the possible congestion in some Long Rooms (where customs "entry" is effected and duty is paid) and the less general availability at seaports and land frontiers of the facilities just described at (a) and at (b) of the present paragraph. These factors are outside the scope of the present Appendix, except for one aspect of transit shed register and "triplicate entry" procedures : put in the most general terms, the point is that customs authorities should confine the documentary requirements they stipulate, for surface traffic in general and for through consignments by road and rail under TIR and TIF arrangements in particular, to requirements which are equivalent to those applicable to air traffic, in corresponding circumstances. In very many instances, this will already be the case.

29. *The fourth potential source of delay* in effecting "entry" after arrival is, oddly enough, encountered almost only when a carrier wishes to avail himself of the easements in formalities introduced in recent years for the carriage of goods under customs seal—*either* across a country (in transit) *or* from a point of arrival in a country to another point (or points) of Customs clearance in the same country. Such facilities are provided under internationally agreed TIR and TIF arrangements for the through movement (without off-loading) of goods on road vehicles or rail vehicles respectively, and under UK "inter-port removal" arrangements. TIR and TIF consignments are physically accompanied by special TIR or TIF customs documents, containing—among other things—spaces for particulars of the description and valuation of the goods. However, these details are on many occasions so "by-and-large" as to call for physical customs examination at the point of arrival in the country, before the customs authorities feel able to allow the consignment of proceed towards its destination. When this occurs, it will inevitably cause the delay referred to in para. 27(a). Many traders admittedly already provide adequate details. However, all exporters and carriers should seek to ensure that, in or together with the TIR carnets or TIF forms, they provide sufficiently full particulars of the goods to minimise the need for their physical examination at customs offices passed en route, before reaching that office at which the goods are intended to be finally cleared.

30. One way of avoiding this physical examination of TIR and TIF consignments would normally be for the exporter to make every effort to send with the goods all those documents originating from him which will be required in due conrse for the purposes of final customs clearance. This will moreover be of help in overcoming *the fifth potential source of delay* in effecting "entry" (in those circumstances in which it cannot be effected in advance of arrival): this is the delay which occurs because the very speed of through transport transits now means that invoices, certificates of origin etc. can often no longer be sent by post (even if this were speeded up), so as to overtake goods sent across the English Channel and to arrive before them at the point of their eventual import clearance by the local customs. Therefore, if these documents can travel with the goods themselves, it will become easier to put in hand promptly, at destination, the steps needed for formal customs "entry" and clearance, and so to avoid the delays referred to in para. 27(c).

Certificates of the basis of valuation

31. It is important however that the benefits obtainable from sending all relevant documents with the goods themselves whenever practicable (as recommended in paras. 29 and 30) should not then be negatived by other delays in the completion of customs "entry" formalities, of the type referred to in para. 27(b): these are the delays which arise when, *before* "entering" goods to customs, the actual importer himself (and not merely his forwarding and customs agent) must have

(a) received the invoice for the goods in question ; and

(b) certified the (arm's length or other) basis of valuation adopted on that particular invoice.

As stated in para. 27(b), exports to Sweden (as well as imports into the UK) are said to suffer from this procedure.

31. Where the invoice is prepared only shortly before the exporter despatches the goods these may often reach the customs office of destination well before the certificate just mentioned, and the consignment will tend to be delayed there in consequence. Imports into UK appear at present normally to have to comply with this certification procedure in all cases except those in which:

(a) the goods are not subject to ad valorem import duty; or

(b) their value does not exceed £100; or

(c) the local collector of customs has been satisfied of the urgency of clearing them; or

(d) the importer is an agent, broker, distributor or concessionaire for (or an associate of) the exporter and the goods
either are being imported "on consignment", i.e. for sale from stock;
or have already been sold to a person other than the actual importer, at the time of importation.

(The corresponding Swedish customs rules are not to hand at the time of writing.)

32. In other words, the requirement of specific invoice certification by the actual importer, *before* customs "entry" and clearance, and the delays resulting from it would (under the rules as they are in UK today) appear normally to affect any importer who has purchased unconditionally foreign goods worth (say) £150 and liable to an ad valorem duty of (say) 10%. Even the introduction of "season ticket entry", on the basis of a single certificate valid for a prolonged period, would not cure these delays where an exporter's trading connection with a particular importer is not yet more than an intermittent one. Under such conditions, the delays associated with the existing customs requirements for invoice certification can therefore often remove any advantage that would otherwise accrue from adopting the recommendations in paras. 29 and 30. It is to be hoped that those relatively few Western European countries which at present feel constrained to apply this particular procedure may before long be able to develop a suitably simplified alternative.

National Economic Development Office
April 1966

ANNEX TO APPENDIX XVI

Illustrative List of Documents Raised in Connection with an International Trade Transaction

Notes

(i) This list is intended to be no more than illustrative, relating to the shipment of a container in the hold of a short-sea liner.

(ii) The list does not claim to be comprehensive :

- (a) exporters' and importers' internal documents, in particular, have not been listed in detail ;
- (b) the requirements of (say) public authorities in importing countries for additional copies of e.g. invoices have not been mentioned in detail ; and
- (c) using a container ship as an example as it does, the list does not include the simplified TIR and TIF Customs documents mentioned in paras. 19 and 29 and introduced in recent years for traffic moved on the same set of road or rail wheels throughout.

(iii) On the other hand

- (a) there is probably no longer any one single through transport transaction with the near Continent for which every one of the documents listed below continues to be required today.
- (b) A gradually increasing number of documents can now be prepared from a single original, e.g. as reproductions of selected portions of a spirit-duplicating or electrostatic "master".

(iv) The documents required are not necessarily prepared in the precise *sequence* in which they have been listed.

A. Export Procedure

1. Order placed by importer
2. Order accepted and acknowledged by the exporter in a document providing evidence of the terms of the contract
3. Export licence application made } (where necessary)
4. Export licence granted }
5. Internal works demand note (for goods to be made to order) or stores requisition (for other goods) issued
6. Shipping space reserved (where necessary)
7. Packing list and outer labels prepared

8. Goods reported as ready for shipment and packed, with details of net and gross weight, measurements and distinguishing marks on packing cases
9. Shipping instruction issued to shipping and forwarding agent (where employed)
10. For special (e.g. refrigerated) or hazardous cargo, shipping agent applies for special stowage after being satisfied that the goods have been properly described, packed, marked and labelled
11. Certificates of origin (and perhaps value) prepared, translated and duly authenticated (where necessary)
12. Invoices prepared, translated and duly certified by importing country's consulate (where necessary)
13. Sight draft prepared for presentation to the importer (to enable payment to be received, e.g. through a bank, against documents)
14. Shipping agent acknowledges exporter's instructions and gives details of shipping arrangements
15. Customs requested to attend at factory, warehouse etc. for inspection (where drawback of customs duty on re-exported goods is to be claimed)
16. Export specification (or shipping bill) prepared for customs (separate form for home produce, goods subject to export licensing, goods taken from bonded warehouses, goods temporarily imported free of duty, and other re-exports)
17. Instructions issued to road haulier, for conveyance of the goods to their port of shipment
18. Road haulier's consignment note prepared (containing space for consignee's signature)
19. Road haulier's waybills or loading sheets issued to his drivers
20. Road haulier's account for transport charges issued
21. Certificate of insurance prepared
22. Port or dock dues schedule or bill prepared
23. Single or multiple shipping notes prepared (including copies to be used as wharfinger's receipt, mate's receipt etc.)
24. Dock return sent from loading berth to the shipping company's head office
25. Multiple bills of lading prepared
26. Exporter or shipping agent estimates freight charges to enable c.i.f. invoice to be prepared for the exporter's customer (where necessary)
27. Shipping company's freight account issued (e.g. on one of the copies of the bill of lading)

28. Shipping company prepares ship's manifests to be lodged at ports of departure, call and destination
29. Stevedoring company issues its account for the loading (in the case of liner freight, normally to the shipping company)
30. Port authority prepares internal documents.

B. Import Procedure (UK assumed to be representative)

31. Exporter advises importer of despatch (with or without invoice)
32. Importer instructs forwarding agent to make unloading arrangements at port of discharge
33. Import licence application made
34. Import licence granted

(where necessary)

35. Importer prepares declaration of basis of valuation on invoice, regarding goods liable to ad valorem duty (where necessary: UK Customs Form C105)
36. Customs entry lodged with supporting documents
37. Assessed amount of customs duty paid (in settlement, or provisionally), e.g. by certified cheque
38. Schedules prepared in connection with these payments
39. Bank makes payment for the goods, against documents, and then releases the bills of lading to the importer or his forwarding agent; records of these transactions made
40. Forwarding agent releases bill of lading to ship's agent who issues delivery order, for presentation by the stevedore at the ship's side
41. Where supervision of unloading has been requested, an outturn report on the quantity and quality of the goods landed is prepared
42. Stevedoring company issues its account for unloading costs as far as the ship's rail to the shipping company
43. Stevedoring company issues its account for the remaining unloading costs to the forwarding agent
44. Port authority's port or dock dues bill or schedule prepared
45. Instruction issued to road haulier, for carriage and delivery
46. Road haulier's consignment note prepared
47. Road haulier's waybills or loading sheets issued to his drivers
48. Road haulier's account for transport charges issued
49. Forwarding agent invoices to the importer any charges due from him and not already paid by him
50. Importer prepares internal documents.

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20 JUL 1966 CAMBRIDGE

NATIONAL ECONOMIC DEVELOPMENT OFFICE

ECONOMIC DEVELOPMENT COMMITTEE
FOR THE MOVEMENT OF EXPORTS

Through Transport To Europe

LONDON
HER MAJESTY'S STATIONERY OFFICE
1966

FOREWORD

Since the value of exports to Europe amounts to some 40% of all British exports, the Economic Development Committee for the Movement of Exports decided that high priority should be given to studying the methods of transport used, and to considering what could be done to improve the speed, efficiency and reliability of the flow of goods to Europe.

A small working party was set up for this purpose under the chairmanship of Mr. Norman Freeman. This booklet contains the working party's report, which was recently adopted by the EDC, and which it was decided to publish immediately in the form presented to the EDC.

The report contains a number of valuable recommendations which cover a wide range of interests, as well as affecting those involved in the transport industry and all those who export to Europe. It is the hope of the EDC that these recommendations will be seriously considered and, wherever possible, implemented by all those concerned. If this is done important improvements will result which will bring us closer to European markets and so help to make our products more competitive.

I should like to record the thanks of the EDC to the chairman and members of the working party and to all others who have contributed to their deliberations, for the work which they have put into this enquiry, and for the speed and efficiency with which they have reached their conclusions.

CALDECOTE
Chairman
Economic Development Committee
for the Movement of Exports

20th April 1966

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To

The Rt. Hon. The Viscount Caldecote, chairman of the Economic Development Committee for the Movement of Exports.

At the meeting of the EDC for the Movement of Exports on September 21st, 1965, it was decided to set up a Working Party on through transport to Europe and I was asked to take the chair. The Working Party met for the first time in October, 1965, has held six meetings and has received valuable assistance and papers from a variety of sources.

Our method of working has been governed by the importance of reaching conclusions on which action could be taken as quickly as possible.

I attach the report prepared by the Working Party, for the consideration of the EDC. Part 1 contains our terms of reference, a summary, and forty-five recommendations for action, together with suggestions as to the appropriate bodies by whom action might be taken. Part 2 contains the main text of the report. The papers which provided the basic information and which were submitted by members of the Working Party and others are attached in the appendices.

The Working Party wish to make clear their realisation that in recent years great efforts have been made in many quarters and especially through the Export Council for Europe, to increase the trade of the UK with Continental Europe. The results of these efforts have been most valuable and we should not wish to underestimate them. Nevertheless, we consider that our enquiries and discussions have brought to light a number of points which may have considerable influence on improving the transport aspects of the competitiveness of UK traders with Europe.

In presenting the report I should like to express my very sincere thanks to the members of the Working Party for their willing and active co-operation in a task which has been carried out under considerable pressure of time; also to the many other individuals and organisations who have helped in providing information and advice; and finally to the members of the NEDO staff who have serviced our work most efficiently, despite considerable pressures.

We are also grateful to our members for enlisting the considerable help of the following bodies with which they are associated:

Board of Trade
British Railways Board
British Shippers' Council
Chamber of Shipping of the UK

Department of Economic Affairs
Export Council for Europe
Ministry of Transport
National Ports Council
Road Haulage Association

In addition we wish to acknowledge help from HM Customs and Excise, the Institute of Shipping and Forwarding Agents and a number of firms of traders, carriers and forwarding agents.

N. J. FREEMAN
6th April, 1966